The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 12:30 P.M., MONDAY, SEPTEMBER 12, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12:30 p.m. on Monday next.

The motion was agreed to; and, at 6:30 p.m., the Senate adjourned until Monday, September 12, 1977, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate September 9, 1977:

DEPARTMENT OF JUSTICE

Ronald L. Rencher, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years, vice Ramon M. Child.

Edward L. Shaheen, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years, vice Donald E. Walter, resigned.

M. Karl Shurtliff, of Idaho, to be U.S. attorney for the district of Idaho for the term of 4 years, vice Sidney E. Smith, resigned.

Ralph C. Bishop, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years, vice Johnny M. Towns.

William L. Brown, of Wisconsin, to be U.S. marshal for the eastern district of Wisconsin for the term of 4 years, vice Raymond J. Howard.

Rex O. Presley, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years, vice Laurence C. Beard

Anton T. Skoro, of Idaho, to be U.S. marshal for the district of Idaho for the term of 4 years, vice Rex Walters, resigned.

Roy A. Smith, of Ohio, to be U.S. marshal for the southern district of Ohio for the term of 4 years, vice Elmer J. Reis, resigned.

CALIFORNIA DEBRIS COMMISSION

Col. Donald Michael O'Shei, Corps of Engineers, to be a member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Col. Frederick G. Rockwell, Jr., retired.

INTERNATIONAL ATOMIC ENERGY CONFERENCE REPRESENTATIVE

Robert S. Rochlin, of Maryland, to be an Alternate Representative of the United States of America to the Twenty-first Session of the General Conference of the International Atomic Energy Agency.

EXTENSIONS OF REMARKS

"LET THE ALIENS IN"—A POINT OF VIEW

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EDGAR. Mr. Speaker, the issue of what national policy should be with respect to illegal aliens is one which we will focus upon during the 95th Congress. An article by Stephen Chapman, which appeared in the July/August 1977 edition of the Washington Monthly delves into this controversial issue to a degree which should be reviewed by our colleagues. For this reason, I wish to share it with House Members who will have to make some difficult decisions which will have a profound effect upon human lives:

LET THE ALIENS IN

(By Stephen Chapman)

Oddly for a nation built almost entirely on immigration, the United States historically has had a schizophrenic attitude about letting in foreigners. For our first century-and-a-half of existence, we welcomed almost anyone who wanted to come, and the invitation was accepted by millions of people all over the world. Until 1882, in fact, the U.S. had no formal immigration policy, and for the next 39 years it didn't limit the number of immigrants. Only in 1921 did the government decide to close the open door to some foreigners, mainly those from southern and eastern Europe, who were arriving in sufficient numbers to cause grave alarm among the nation's governing WASPs. One congressional report expressed the worry that the immigration of such people tended "to upset our balance of numbers, to depress our standard of living, and to unduly charge our institutions for the care of the socially inadequate." Evidently the threat to the purity of the Anglo-Saxon race was too obvious to mention.

Nobly trying to avoid these disasters, Congress established immigration quotas based on the ethnic makeup of the American public, letting in a lot of northern Europeans, a few southern and eastern ones, and only a handful of Asians. As the above congressional report subtly explained it, if "the principles of individual liberty . . . [are] to endure, the basic strain of our population must be maintained and our economic standards preserved."

With only a few changes, the quotas lasted until 1965, when Congress passed a new Immigration and Nationality Act that was aimed principally at reuniting families, admitting needed workers, and granting sanctuary to political refugees from Communist countries and the Middle East. Aliens who didn't fit into these categories simply were not to be admitted. Disturbed by the arrival of 160,000 immigrants a year from the Western Hemisphere (almost all from Latin America), Congress placed a quota on them of 120,000 a year—the first time in our history it had placed a numerical limit on Latin immigrants. Congress presumably shared the sentiments of the cynic who scorned President McKinley's professions of affection for "our little brown-skinned brothers": "They may be related to President McKinley, but they're not related to me."

Heedless of the chilly welcome, a lot of our neighbors still want to come, with the main consequence of the 1965 ceiling being a "silent invasion" of illegal aliens that has unnerved many observers to the point of near-hysteria. Though the invasion has been silent, the reaction to it has been very noisy. A good deal of frightened talk is aloof about how to save ourselves from being drowned in this "brown tide" of illegal aliens, most of it boiling down to one simple idea: get them out and keep them out.

Such talk in Congress and the White House is nothing if not popular. A gallup poll last year discovered that 74 percent of Americans regard illegal aliens as a "very serious" or "fairly serious" national problem, with 82 percent blaming at least one of our social ills on their presence. Most revealing of all, 57 percent of those polled agreed with the unequivocal declaration, "Illegal aliens should be rounded up and sent back to where they came from." Gallup likely could have found a majority in favor of melting down the Statue of Liberty and selling it for scrap, perhaps replacing it with a giant replica of a snarling Doberman Pinscher to underscore the point.

That the drawbridge to the golden door is now in danger of being pulled up is due mostly to the vigorous xenophobia of former Marine Corps commandant General Leonard Chapman, who retired in January after four years as commissioner of the Immigration and Naturalization Service. When in 1973 he assumed control of a small, little-noticed agency demoralized by scandals and the impossible job of keeping out illegal aliens, Chapman took the offensive, warning publicly of an impending "national catastrophe" and publishing inflammatory magazine articles with titles like "Illegal Aliens: Time to Call a Halt!" According to Charles Keeley, a sociology professor at Fordham University, "Chapman was a master at defining the issues for the purpose of increasing his budget. By very skillful manipulation of the press, he created a crisis mentality, which perfectly fit his agency's bureaucratic needs." In addition to valuable support from such interest groups as the AFL–CIO, the American Legion, and Zero Population Growth, Chapman's campaign was favored by circumstance, coming at a time of severe economic troubles; and the accident that most illegal aliens have brown skin didn't hurt his efforts either.

It's no surprise that the public concern about illegal aliens has been fostered by a government agency less interested in the public than in more power, greater prestige, and a bigger budget; that, after all, is how things usually work in Washington. What is more disquieting is that the perception of a crisis has grown out of confused thinking that rests on questionable premises, unsubstantiated statistics, and groundless myths. It's also disturbing that the issue so easily raised a public clamor in a nation of liberal traditions incompatible with xenophobic hyperbole.

Most of our fears about illegal aliens are without foundation and the conclusions drawn from them, however popular, are thus mistaken. Instead of talking about throwing out all our illegal aliens and doing our damnedest to make sure they don't come back, we ought to be taking precisely the opposite tack and legalizing the status of illegal aliens already here, while eliminating the numerical quotas on immigration from the Western Hemisphere.

TRAINING THE MULE

Chapman's public relations techniques in his campaign were reminiscent of the farmer who began his mule's training by clubbing him over the head to get his attention; his weapon was the untiring repetition of huge numbers. In one congressional hearing he placed the number of illegal aliens at four to five million, but when asked about the basis of his estimate, Chapman replied, "It is just a midpoint between the two extremes. I have heard one or two million at one end of the scale and eight or ten million at the other. So I am selecting a midpoint . . . just a guess, that is all. No-

body knows." An immigration and Naturalization Service-commissioned study by Lesko Associates, a Washington consulting firm, had little success in narrowing the wide range of estimates. It guessed there were about 8.2 million illegal aliens in the U.S., but such experts as Wayne Cornelius, an assistant professor of political science at MIT and a longtime student of the subject, have criticized Lesko's estimate as much too high and its methods as scientifically dubious.

The only hard numbers available are statistics on INS apprehensions. In 1975, for instance, the agency caught and deported 766,600 illegal aliens—but using that figure as a basis for estimating a total number, as INS does, is questionable at best. Since many aliens are apprehended more than once, the number of aliens who are caught is probably quite a bit lower than the total apprehensions. One Border Patrol officer tells of apprehending and deporting a single Mexican five times in one night. As General Chapman admitted, no one knows how many illegal aliens there are in the U.S., and there is probably no way of finding out.

That hasn't stopped Chapman and his allies from using their unreliable estimates as the basis of even more unreliable calculations of how much illegal aliens cost the government. According to their line of reasoning, aliens impose a burden on taxpaying Americans by using public services, welfare benefits, and food stamps—all for free, since they don't pay taxes. Factual support for this argument is conspicuously absent, no doubt because what concrete evidence there is discredits the theory. In fact, most employers deduct both income and FICA taxes from the paychecks of their illegal workers, partly because they don't always know which ones are illegal and partly because they fear problems with the IRS and the Social Security Administration. At the same time, illegal workers tend to avoid any contact with government agencies, even those that might provide help, out of fear of being caught. A Department of Labor study by David North and Marion Houstoun last year reported:

"This group of illegal alien workers were significantly more likely to have participated in tax-paying systems (many of which are automatic) than to have used tax-supported programs . . . while 77 per cent of the study group reported that they had had social security taxes and 73 per cent reported that they had federal income taxes withheld. Only 27 per cent used hospitals or clinics, four per cent collected one or more weeks of unemployment insurance, four per cent had children in U.S. schools, one per cent participated in U.S.-funded job-training programs, one per cent secured food stamps, and 0.5 per cent secured welfare payments."

A recent study by the San Diego County Human Resources Agency arrived at similar conclusions, estimating the county's annual cost in social services to illegal aliens at $2 million and the aliens' yearly contribution in taxes at more than $48 million. The reality, then, is just the opposite of the myth spread by Chapman and his ilk: illegal aliens contribute more than their fair share to government revenues and receive far less than their share of state and federal benefits. The General no doubt would be chagrined to learn that instead of aliens being a burden to the rest of us, it's the rest of us who are a burden to the aliens.

UNFAIR COMPETITION

At the heart of organized labor's demands for measures to stop the influx of foreigners is the notion that they compete unfairly with American workers, displacing Americans from their jobs and depressing the general level of wages. Labor thinks a lot of our economic ailments would vanish if only the illegal aliens would. Chapman has gone so far as to argue that deporting all our illegal aliens would cut the unemployment rate in half.

Wayne Cornelius dismisses this belief as a "cruel illusion," and there is in fact little to support it. Many of the jobs held by illegal aliens are the kind that few Americans would accept, regardless of their skills. A California businessman who hires illegals told New West magazine, "If you pulled out every illegal alien in Los Angeles at midnight tonight, you would wake up tomorrow morning in a town without busboys, maids, or parking-lot attendants." North and Houstoun reported that most of their respondents worked as laborers (including farmworkers), service workers, and other semi-skilled or unskilled workers. Most of the aliens they surveyed were paid little more than the minimum wage, with some receiving even less than that. Like the North-Houstoun study, the San Diego report expressed doubt that aliens displace American workers, noting one instance in which the State Human Resources Agency could not fill 2,154 jobs made available by the deportation of illegal workers, a failure it blamed on the jobs' low wages, poor prestige, and long hours. San Diego, despite its 11.8-percent unemployment rate, had a similar experience: when some 340 jobs were vacated by illegal aliens, INS was unable to fill them with Americans and finally let the employers hire commuter workers from Mexico. North and Houstoun also concluded that ilegal aliens neither compete with skilled American workers nor depress wages. Eliot Abrahams, an aide to Senator Daniel Patrick Moynihan, says flatly, "There's no evidence that the average alien depresses wages. Aliens either get good wages or they get low pay for jobs no one else will take."

The aliens don't make much difference to unemployment because unskilled Americans understandably prefer subsisting on welfare or unemployment payments to working long hours at low-paying drudgery. The low unemployment rate in Texas is largely a consequence of the state's stingy assistance to the poor. Conversely, the high unemployment rates in cities like New York and Chicago, where aliens are believed to flock, is probably due far less to the aliens than to the generally stagnant economic conditions in the industrial Northeast and the attractiveness of the relatively high welfare and unemployment benefits in such cities, which are enough to make any unskilled worker think twice about working for a living.

It will be argued that if illegal aliens are given legal status, they will likewise choose relief benefits over low-paying jobs, but the evidence suggests otherwise. Aliens, like most immigrants, generally appear eager to accept work of any kind because of the social stigma they attach to not working, the improvement it represents over jobs in their native countries, and the hope of advancement. "Apart from any consideration of their illegal status," said North and Houstoun, "they appear to be like immigrant workers: highly motivated and hard-working employees, whom U.S. employers regard as very productive workers, despite the fact that many do not speak English."

THE WELFARE OF THE CUBANS

The American experience with immigrants from Cuba during the 1960s implies that aliens do not come to the U.S. to sit back and collect welfare checks. When hundreds of thousands of Cuban refugees poured into Miami in the decade following Castro's revolution, many Miamians feared they would swell the relief rolls. Contrary to popular belief, few of the Cubans were wealthy, and even those who were arrived almost penniless. According to Susan Jacoby, who has written extensively about aliens in the U.S., "By 1962, small businessmen, technicians, clerical workers, and urban factory workers were arriving by the thousands." Now, Jacoby says, "Miami is filled with small businessmen who were blue-collar workers in Cuba." Despite a special federal welfare program for them, the Cubans wasted no time in finding jobs, however menial; by 1974 only 10 per cent were on the welfare rolls, most of them elderly people. And the hard work has paid off: Jacoby notes that the "median income of Cuban families rose from $5,244 in 1967 to $8,091 in 1970." Not only that, but local officials say the Cubans have created at least 100,000 jobs since they arrived.

The case of the Vietnamese refugees is less encouraging, but the presence of many of them on welfare rolls appears due partly to the unique circumstaces of their immigration and our efforts at settling them in American society. The Vietnamese emigrated to the United States with little preparation and no real purpose besides escaping what they expected would be a very unpleasant fate. Coming from an Eastern society, they faced greater cultural and linguistic barriers than did the Cubans or other immigrants from Latin America.

But the blame for nearly a third ending up receiving welfare payments lies mostly on the federal government. "The government leaned overboard in making assistance available to the Vietnamese, without making them understand that collecting welfare is not the normal way of life here," says Leon Marion, Executive Director of the American Council of Voluntary Agencies for Foreign Service. "These people didn't learn how to operate in our culture, and didn't realize that everyone is supposed to work for a living. Putting them on welfare was a simple solution to a very complex problem." But the majority of the Vietnamese here have barely been in this country two years, and Marion sees their swelling of the welfare rolls as a short-run problem that will correct itself in time. "More Vietnamese are going to resettlement agencies for help in finding gainful employment, and they turn out to be hard, earnest workers," he says. "They give an employer his money's worth." The problem of a temporary swelling of the welfare rolls is one we have to face, but experience shows that it is only temporary. Other refugees from Communism than the Vietnamese, like the Hungarians and the aforementioned Cubans, are no longer dependent on welfare.

It's foolish to pretend that open immigration will be completely free of problems, but most of them seem easily surmountable. For instance, we can count on the greed of the American Bar and Medical Associations to safeguard against the brain drain from underdeveloped countries that open immigration might cause.

THE FIXED PIE

The vaguest but one of the most persistent myths about illegal aliens is that their mere numbers strain our economic capacity, thus lowering our standard of living. This opinion rests on a false conception of a fixed pie—the more people there are, the smaller each slice. As noted above, the Cuban experience in Miami suggests that the influx of immigrants actually stimulated the local economy. Historically, there appears to be no correlation between the rate of immigration and economic health. One of the healthiest periods in American economic history, 1881 to 1921, coincided with the arrival of 25 million foreigners. The Great Depression, on the other hand, came only a few years after we established the first immigration quotas. Nor is there any obvious relationship today between the number of illegal aliens in a given region and that region's prosperity; some states, like those of the Southwest, have healthy economies despite a lot of aliens, while the industrial cities have both aliens and poor economic health.

One reason the debate about aliens so often goes astray is that it concentrates on their effects on the rest of us, ignoring humanitarian question of whether or not coming here is good for them. Our immigration laws slam the door on thousands of people who would like to move to the U.S., and that in itself is a bad thing. Moreover, many would-

be immigrants—who come mostly from poor, authoritarian countries in Latin America—see the U.S. as the only way out of a life of poverty, ignorance, and oppression, and in most cases they are probably right. To keep them out is not only to circumscribe their freedom, but also to sentence them to a bleak, painful existence they desperately want to escape. The people who founded the United States pictured it not as an entrenched and isolated outpost but as a beacon for the rest of the world and a refuge for the oppressed. We may have grown cynical about such notions, but is it right to turn away all the foreigners who still take them seriously?

Under the worst of circumstances, namely living here illegally, what the aliens find in the U.S. is plainly better than what they left behind, which of course is why they came. Even the lowest wages paid in the U.S. are much higher than most could dream of making at home. New West mentions one Mexican who got $1.35 an hour stripping paint in his first job here—ten times what he earned driving a delivery truck in Mexico.

But legalizing their status and loosening restrictions on immigration to make illegal entry unnecessary would substantially improve the aliens' lot, which is what many Americans apparently regard as scandalous.

Obvious, the aliens would benefit from the ordinary rights and privileges accorded other American workers. The illegal alien's outlaw status undercuts his bargaining power and compels him to accept nearly anything his employer chooses to inflict on him, from low pay to long hours to poor working conditions. If he complains, his employer can fire him or even have him arrested by the INS. The alien can hardly demand that he receive the minimum wage or be allowed to join a union (although some unions have illegal aliens as members). If he is mistreated, defrauded, or injured on the job, he is not likely to seek legal redress. All the pressures on the illegal worker encourage him to do what he's told, take whatever pay he's given, and keep his mouth shut.

Many employers take full advantage of the opportunity to exploit the aliens. They often pay illegals substandard wages—a practice made possible not by the normal dictates of the market, but by a "black market" in labor that puts the employer in an abnormally strong position and the employee in an abnormally weak one. North and Houstoun discovered, for example, that the aliens in their survey generally "earned less per week than comparably employed U.S. workers, though they generally worked considerably longer hours." The aliens in industrial jobs worked an average of 44.5 hours a week, while comparable Americans worked only 35.9 hours. Illegal aliens no doubt also suffer relatively poor working conditions.

They are also vulnerable to even more flagrant abuses. It is a common practice for farmers in the Southwest to hire illegal Mexicans for a couple of weeks and then call the Border Patrol when payday rolls around. The Border Patrol hauls the aliens away and the farmer gets a couple of weeks' labor for only the cost of room and board. A former official of California's North County Chicano Federation told the San Diego Human Resources Agency that such incidents are standard practice among many citrus and flower growers, who they estimate owe illegal aliens $20,000 in back pay. Another Chicano organization said that kickbacks to field bosses and excessive deductions for room and board likewise are common practices. The San Diego report mentioned an incident in which an illegal alien who suffered three heart attacks was refused permission to see a doctor; when he finally visited one on his own, he was fired.

Some pay hundreds of dollars to professional body-smugglers for help in getting across the border, and hundreds more for forged

BODY SMUGGLERS

Of course, many aliens have to go through a lot of hardship just to get into the U.S. papers, "green cards" (Alien Registration Receipt Cards), and entry documents—some of which are so poorly forged as to be worthless, although the aliens have no way of knowing that. Aliens who walk across the border (as most illegals do) are often attacked by gangs of hoodlums on either side. One Border Patrol officer told the Washington Star, "On the American side, we broke up gangs of local high school kids who had been lying in wait for the wets. They were robbing them, beating them up, raping the women. We even had two 12-year-old kids who were stationing themselves at the end of a long culvert drainpipe that the aliens used to sneak through. They were shaking them down for 15 or 20 bucks apiece, threatening to call us if they didn't pay up."

Without erecting a Berlin Wall along the Mexican border and subjecting employers and illegal aliens to all sorts of draconian measures—which would require much higher expenditures and expanded enforcement—there is no way to stop the influx of people from Latin America. Too many people want too badly to get in, and we would gain little from redoubling our efforts to keep them out.

And it is not likely that more liberal immigration laws would attract unmanageable numbers of foreigners. The current length of time that Western Hemisphere people have to wait for visas is about three years, which at the current quota means a total of only 360,000 people are waiting, hardly an alarming number. Charles Keeley is skeptical of scare talk about the flood of aliens who would arrive if restrictions were relaxed. "You would probably get a big initial flow, but not necessarily an unreasonably high number, and after that the number would probably drop off sharply," he says. "I'm not so sure everybody's dying to get in here." Wayne Cornelius says few illegal aliens from Mexico want to live here permanently anyway, and that most of them come for less than six months. Keeley agrees, noting that one million legal aliens left the U.S. during the 1960s.

In keeping in mind the humanitarian reasons for letting in more foreigners, it is not necessary to lose sight of our own interests; letting them in need not be a purely selfless gesture. After all, the rest of us have much to gain from the continual infusion of new people, whose mere presence testifies to their determination and willingness to take risks. One nice thing about the difficulty of immigrating is that it weeds out those who are timid or lazy, leaving only the adventurous and the ambitious. The old American ideal of the melting pot is based, in part, on the knowledge that most of the foreigners who come to America are those with the qualities most beneficial to a dynamic society.

Indeed, the strangest thing about the controversy over illegal aliens is that it so seldom touches on our hallowed tradition of welcoming the weary immigrant, a tradition that goes to the heart of the nation's character and purpose. There are few American traditions nobler than that of providing a sanctuary to the weak, freedom for the persecuted, and opportunities for achievement to the ambitious; and for that matter, few that have had such far-reaching benefits.

Like our own parents and grandparents, foreigners come to this country today to lift themselves out of poverty, to escape political oppression, to give their children a better life. The choice is between continuing this legacy and standing at the walls to beat back the hordes—a choice that tests not only our trust in our heritage and our free institutions, but our humanity as well.

METRO-HEALTH HMO

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. HILLIS. Mr. Speaker, during the August recess, I had an opportunity to visit the Metro-Health plan offices in Indianapolis. Metro-Health is the only health maintenance organization—HMO—in my home State of Indiana and I was happy to have the chance to get a first-hand look at its operation and facilities. In view of the current national debate on health care delivery in the United States, I would like to share with my colleagues some of the impressions I received from this visit.

Metro-Health is operated, as are all HMO's, by a private, not-for-profit corporation. Its services are offered to employee groups as an alternative to the more traditional health insurance plans which reimburse doctors and hospitals after the service is rendered to the patient. The primary difference with the HMO is that the medical services are paid for in advance by the subscriber and, for the most part, those services are provided at the HMO itself with functions similar to a group practice clinic.

The HMO I visited in Indianapolis has been in operation for 2½ years. It serves 7,500 members, all of whom elected to join as an alternative to traditional employer provided health insurance programs. Metro-Health is staffed by eight full-time physicians and utilizes 20 medical specialists for referral cases. I was impressed by its sophisticated diagnostic equipment as well as its facilities for testing and analysis. Such "in-house" equipment, along with an emphasis on preventative medicine, has helped to reduce the need for hospitalization of Metro's subscribers. Furthermore, these services are provided at approximately 40 percent of the normal hospital rate.

In coordination with the HMO concept of preventative medicine, I was impressed by the comprehensiveness of the Metro-Health plan. Its medical offices include facilities for eye examinations, dental care, nutrition counseling, casts and dressings, laboratory analysis, X-rays, and minor surgery. All of these services are prepaid and most are available to the subscriber at no additional charge. With the exception of voluntary sterilization and mental health crisis intervention, no service costs are more than $2. And when the occasion arises where the subscriber's medical needs require hospitalization or the care of a specialist, the HMO makes all the necessary arrangements and covers the cost of those services. Furthermore, Metro-Health will offer a medicare buy-in

option within 6 months in order to make this facility available to senior citizens.

Mr. Speaker, I believe that we are long overdue for a common-sense approach to solving the health care problems in this country. While HMO's are not a panacea for rising medical costs, they can, and should, have a place within the framework of a national health care legislative package.

SEALED BIDDING YIELDS MORE FEDERAL REVENUE

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. KREBS. Mr. Speaker, the U.S. Forest Service has disclosed some startling information concerning the new sealed bidding regulations implemented through the National Forest Management Act of 1976. The data clearly indicate that the Federal Government realizes more revenue through the application of sealed bidding to National Forest timber sales than it would through application of the oral bidding process.

Recent figures pertaining to sales which took place at each of the six western Forest Service regions in the first half of 1977 indicate, that overall, in situations where both oral and sealed bidding were used, sealed bidding returned substantially higher bid premiums than did oral bidding.

Moreover, figures regarding sales consummated during the first 6 months of 1977 in the Nation's most active timber producing area, region 6—Washington and Oregon—appear to now challenge testimony given by U.S. Forest Service Chief John McGuire on February 7, 1977, before the Forests Subcommittee of the House Agriculture Committee. Chief McGuire testified there was no evidence to suggest that sealed bidding would, on balance, produce greater income to the Federal Government.

In region 6, however, where a mix of both oral and sealed bidding was employed, sealed bidding produced an average of $14.84 more per thousand board feet of timber sold in the eastern Ponderosa pine area and $11.57 more per thousand board feet sold in the western Douglas fir area. The Forest Service's own data indicate that the Federal Government would have lost between $20 million and $25 million had oral bidding been employed in 99 percent of the sales which took place in Oregon and Washington.

It is important to note that the bidding regulations which resulted from the National Timber Management Act of 1976 received a liberal interpretation by the Forest Service in favor of the timber industry's desire to continue oral bidding. Had the strictest interpretation of section 14(e) been implemented, that is, selling all timber by sealed bids, one can only speculate as to the total amount of additional revenue the U.S. Treasury would have derived.

H.R. 6362 would repeal application of the sealed bidding provisions to sales of national forest timber. Because this legislation barely passed the House Agriculture Committee, by a 20 to 20 vote, and will soon be before the full House, it seems appropriate to bring to the attention of my colleagues an article which appeared in the August 14, 1977 edition of the Washington Post. The article succinctly described the economic advantages of retaining the present sealed bidding regulations:

SEALED BIDS YIELD MORE FOR NATIONAL FOREST TIMBER

(By George Lardner Jr.)

In the first review of federal timber sales in the Pacific Northwest under a new, sealed-bidding law aimed at preventing collusion, the U.S. Forest Service has found that it produces more money for the government than the traditional system of oral auctions.

The study would appear to undercut a major contention of the Western timber industry, which has been lobbying intensively for repeal of the sealed-bidding rule.

The review covered timber sales from all 20 national forests in Oregon and Washington for the first six months of 1977. It was completed by the Forest Service's regional offices in Portland last week. A copy was obtained by The Washington Post.

According to the study, sealed bidding for federal timber in the coveted Douglas fir region on the west side of the Cascade Mountains produced $274.7 million—$115.9 million more than the Forest Service's appraised prices.

Timber sold at oral auctions on the west side brought bids totaling $51.1 million—only $19.2 million more than the minimum prices fixed by the Forest Service.

Industry pressures have already forced the Forest Service to cut back sharply on the sealed bidding prescribed by the 1976 law, but most of the national forest sales in the two states for the first half of the year were carried out by sealed bid.

A total of 1,485 billion board feet of timber was sold by sealed bids on the west side of the Cascades at an average bid price of $184.90 per 1,000 feet, $78.05 above the appraised price. By contrast, 296.6 million feet were sold at west side oral auctions at an average bid price of $172.42 per 1,000 feet, $64.66 above the appraised price.

On the east side of the Cascades, where ponderosa pine and other types predominate, sealed bidding produced $49.9 million, or $14.3 million more than the supposed "fair market value" appraisals of the Forest Service. Oral auctions yielded $26.7 million, or $5 million more than the appraised price.

A total of 437.3 million board feet was sold by sealed bids on the east side for an average bid price of $114.03 per 1,000 feet or $32.67 more than the appraised value. By contrast, 236.6 million board feet were sold in west side oral auctions for an average bid price of $112.98 per 1,000 feet, or $21.18 above the appraised price.

Thus sealed bidding produced an average of $13.39 more per 1,000 feet in the Douglas fir region west of the Cascades and an average of $11.49 more for each 1,000 feet of timber sold on the east side.

In all, according to several extrapolations, the government would have lost between $20 and $25 million for the first half of 1977 if the Forest Service had continued to use oral bidding on 99 per cent of its sales in the two-state region.

The National Forest Products Association, which has been leading the drive to repeal the sealed-bidding law, has repeatedly insisted there was "no evidence" that sealed bidding produces more money on the average than oral auctions. Instead, the association ("Your forest industry voice in Washington") has contended in one position paper after another that "the reverse may well be true," especially in the Pacific Northwest.

The new Forest Service study, however, reinforces preliminary indications from an earlier nine-year review of national forest sales that, while based on scantier data, suggested that sealed bidding yielded higher prices.

"We didn't really have enough data before this, but it's beginning to pile up," said one Forest Service expert.

Sealed bidding has been the rule, rather than the exception, for decades in the South and the East. Oral auctions became customary in the West, especially in Oregon and Washington, following World War II, ostensibly to give local lumber mills a chance to bid more than one, offer a higher price and protect their traditional timber supply from outsiders.

Oral bidding also provides an opportunity to buy government timber at the lowest possible price (the Forest Service appraised value), which is all that need be offered if no one else shows up at the auction.

The Forest Service has agreed that sealed bidding is "a greater deterrent to possible collusive practices," but despite several ongoing federal grand jury investigations, timber industry spokesmen deny that collusion is a real problem. The campaign for repeal of the sealed-bidding rule, meanwhile, has been mounted in the name of the "little sawmills" and small "dependent communities" that need nearby national forest timber to survive.

But, according to a study for Sen. Edward M. Kennedy (D-Mass.), Forest Service regulations that have been on the books for decades provide ample protection for unsuccessful bidders and local communities.

The chairman of the Senate Antitrust Subcommittee, Kennedy, who is seeking to uphold the sealed-bidding rule, pointed out in a recent floor statement that under one key safeguard "an unsuccessful bidder or a community which believes that it is dependent" may protest the award of a timber sale to the high bidder, whatever the method of the bid.

The rule can be invoked even if loss of the timber will simply "materially lessen" job opportunities, but it apparently has been used only once since 1960, to block the bid of a Canadian firm for timber in Montana's Kootenai National Forest.

"The right to protest the award because job opportunities will be lessened or a mill will be forced to close . . . is a valuable privilege that dependent communities have had for 30 years and have not used," Robert E. Wolf, a forestry expert for the Congressional Research Service, advised in a recent memo to Sen. Dale Bumpers (D-Ark.), another defender of the sealed-bidding law.

Another Forest Service regulation in effect for years permits the rejection of high bids that might result in a "monopoly" situation, but this rule has apparently never been used.

Kennedy wound up his recent floor statement with a series of 1975 and 1976 memos from Forest Service files. In one, regional forester T. A. Schlapfer of Portland (now retired) strongly recommended "judicious use of a mixture of sealed and oral auction" in light of various Justice Department investigations under way. He alluded to the 1975 convictions of Champion International Corp. and six others for collusive bidding in violation of the Sherman antitrust act on timber from Oregon's Willamette national forest.

"We cannot afford to be caught without having taken any action in [the] event there

is another conviction," Schlapfer wrote. But he went on to complain: "Generally, industry has not made any constructive suggestions. They do not recognize that here is a problem."

PENN CENTRAL'S DELINQUENT TAXES

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Ms. OAKAR. Mr. Speaker, just before the House recessed for the month of August, I introduced H.R. 8882. This bill will aid thousands of local, county, and State taxing districts in the recovery of long overdue Penn Central tax dollars.

The Penn Central Transportation Co. went into bankruptcy on June 21, 1970. As a result of the railroad's reorganization, as prescribed by congressional and Federal court actions, there is nearly $500 million in taxes that the Penn Central has not paid to State taxing authorities and their political subdivisions. These are tax dollars that fund our schools and local governments.

At present, the Penn Central trustees are attempting to have these localities settle for 50 percent of the post-bankruptcy taxes, or 44 percent of all taxes owed. There is much dissatisfaction among local officials over this settlement proposal. In fact, there is a national coalition of local, county, and State officials who are fighting this proposal in the U.S. district court in Philadelphia. Moreover, this group is lobbying on behalf of the legislation that I have introduced. H.R. 8882 has also received the endorsement of the U.S. Conference of Mayors and the American Federation of Teachers.

H.R. 8882 addresses itself to a another settlement proposal before Judge John A. Fullam of the U.S. district court. This proposal would provide for an immediate 20 percent cash payment and the remaining 80 percent of taxes to be paid through the issuance of Penn Central notes. The legislation that I have introduced would provide Federal guarantees for these series C and series D notes.

Some have asked, "Why should the Federal Government guarantee the delinquent tax debts of a private corporation?" This is a legitimate question, but it neglects to take into account the history and fact of this bankruptcy proceedings.

It was the Federal Government which provided the initiative to reorganize the railroads, and it is a federally related corporation—ConRail—which supplants the old rail lines. I would ask, "Why should local levels of government and our school systems be asked to subsidize the reorganization of the railroad?" Another point to remember is that the Federal Government's administrative expenses have the first lien against the bankrupt railroad. This puts State and local taxes behind those moneys that were extended to the Penn Central to keep it running after its declaration of bankruptcy. This situation is unprecedented, and I would contend that it is unfair.

I wrote to the Secretary of Transportation to reverse the order liens against the railroad. Secretary Adams chooses to leave the situation as it is, although he is empowered by the Regional Rail Reorganization Act of 1973 to provide some remedy for this situation. With this display of administrative inaction, I have chosen to initiate this legislative action. For over 6 years, the Federal Government has stood by idly as the State and local levels of government have anxiously awaited the outcome of the Penn Central bankruptcy proceedings. It is likely that this long legal battle is far from over. Mr. Speaker, it is time for the Congress to give assurances to these municipalities, counties, and States who anxiously await their tax dollars.

H.R. 8882 will insure that the series C and series D notes that Penn Central offers are, indeed, good investments for our counties, cities, and school systems. By assuring the investment community that these Penn Central notes are good, solid investments, we assure State and local government that they can continue delivery of vital services, and we assure our schools that they, too, will have the funding needed to deliver good educational services.

Mr. Speaker, I ask my colleagues to take a long and serious look at this situation and the legislative remedy that I offer. I solicit their support for this much needed and long overdue measure.

U.S. OIL AND GAS POTENTIAL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. COLLINS of Texas. Mr. Speaker, during the August recess I went to west Texas to check out energy developments. We all are cognizant of the oil and gas potential in the area. However, most people do not understand the cost and risk involved in developing new oil and gas reserves.

I want to give you an experience that happened this past week in drilling from Dimmit County, Tex. John J. Redfern, Jr. of the Flag-Redfern Oil Co. in Midland was telling me about it. This was a new well that already has a cost of $338,838. They were drilling based on the fact that this location was close to two producing wells. There was one well 2,200 feet in one direction and another well was 4,000 feet in the other direction. This new well seemed to be pretty well centered out and should have seen production in that pay zone. However, when they got down to the 7,000 foot level where they expected to have excellent production, there was nothing there.

Just because you have oil or gas next to you, does not mean you have a new oil or gas well. Most of the wells drilled are dry but you have to keep drilling if you are going to have production.

We need to remember that half of our oil this year is being imported from the Arab OPEC countries. In 1972 we were paying the Arab OPEC countries $5 billion for this oil. Today we are paying $45 billion and are suffering a tremendous negative balance of payment.

We can get the oil and gas here in the United States but we need to pay the independent oil and gas producers so they can take the risk.

PHILADELPHIA ENDING SUBSIDY OF SUBURBAN COMMUNITIES FOR WATER, SEWAGE SERVICES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. EILBERG. Mr. Speaker, the city of Philadelphia is at long last taking steps to change the ratemaking procedures involved in providing water and sewage services to neighboring suburban communities, thus ending a system under which the people of the city of Philadelphia have, in effect, been subsidizing their suburban neighbors.

According to Water Commissioner Carmen F. Guarino, Philadelphia hopes to collect at least $3,301,000 more a year, retroactive to July 1, from suburban communities for water and wastewater services.

Guarino said that the city plans to reform the existing service contracts that it has with 11 suburban townships and authorities. This reform will include higher charges that will return to the city its actual costs for serving the suburbs.

Ordinances will be submitted to city council to approve the new rate structure.

Guarino said that the water department receives, treats, and disposes of wastewater (sewage) from all of its suburban customers. It also supplies drinking water to one public authority.

In pursuance of its plan, the water department has begun mailing letters to suburbans officials, informing them of the proposed rate and contract changes. Amended contracts will be mailed for signature at a later date.

The commissioner said that the new charges were developed for the city by a private engineering firm, Black & Veatch, of Kansas City, Mo. The Black & Veatch plan incorporates ratemaking principles that are commonly recognized by central water and wastewater utilities when assessing outlying communities for service.

"Such uniform ratemaking for suburban communities is something that we have been unable to do before," noted Guarino. "All of our contracts were negotiated at different times, over a period of 50 years, to fit special circum-

stances, and there has been little uniformity."

These contracts have failed to keep up with rising costs by the Water Department, he added. At the present time, the department's costs for suburban service are running about $3 million a year above revenues received from the suburbs.

Guarino said that the new system of charges, based on improved utility ratemaking practice, will correct this situation. The new charges will:

Be fairer to Philadelphia residents, who will no longer have to subsidize service to the suburbs,

Reflect the true cost to the city of providing water and wastewater services to the individual suburban communities,

Be adjustable from time to time, whenever rates paid by water-sewer customers inside the city change,

End discriminatory treatment among suburban communities themselves, since some of them have been paying less than others for the same quantity of service received from the city,

Help Philadelphia reform its system of sewer charges to all its users, both inside and outside the city, as required by the Environmental Protection Agency.

Guarino said that the EPA has asked the Water Department to change the method of calculating all of its sewer charges, including those paid by Philadelphia residents. This has to be done by July 1, 1978, he noted, in order for the city to continue to receive Federal funds for the $414 million expansion of its wastewater (sewage) plants.

"We are starting the overhaul of rates in the suburbs this year rather than next," said Guarino, "because revision there is more urgently needed than it is inside the city."

The commissioner said that the new suburban charges will cover the collection, treatment and disposal of wastewater from several townships—Abington, Cheltenham, Lower Merion, Lower Moreland, Springfield, and Upper Darby; several public authorities Bensalem Township authority, Lower Southampton municipal authority, and Delaware County regional water quality control authority (DELCORA). In addition, both water supply and wastewater treatment charges will be increased to the Bucks County water and sewer authority.

Guarino said that the U.S. Navy Yard will be taken out of the suburban category. Because is is located inside the city it will pay regular city sewer rates in the future rather than wastewater charges fixed by contract.

The Navy Yard already pays regular city rates for water supply.

Wastewater rates paid by the suburbs will rise by at combined average of 148 percent retroactive to July 1, 1977, Guarino noted, while the range of individual community increases will be from 92 percent to 335 percent. This excludes a small percentage of increase in revenue resulting from larger wastewater flows.

In 1975, the 11 suburban townships and authorities paid $1,507,100 for wastewater collection and treatment by the city. The bill for 1976, which was due July 1, will be $3,882,000 under the new rates.

The Bucks County water and sewer authority will pay $926,100 more for purified water from the Torresdale treatment plant, or a total of $1,248,100 for 1976. In 1975 it paid $322,000.

Guarino said that the new charges will return to the water department an amount equal to (1) operating and maintenance costs, (2) depreciation costs, and (3) return of investment, for those city plants, pipelines, and pieces of equipment that service each suburban township or authority. In addition, a 10 percent management fee will be added to these costs.

YOUNG ILLINOIS CONSTITUENT UNDERSTANDS IMPORTANCE OF METRIC CONVERSION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McCLORY. Mr. Speaker, the changeover to the metric system of weights and measures seems to be well understood by the younger generation. I am heartened that Gary Voss, a seventh grade student in the Hampshire Junior High School, has composed an article on this subject, as one of a series of similar articles which have appeared in the Hampshire Register, a newspaper published in Hampshire, Ill., in my congressional district.

Gary's convincing statement speaks eloquently and with a clear understanding of the subject of the metric conversion and I am pleased to enter his remarks in the CONGRESSIONAL RECORD:

[From the Hampshire Register, Aug. 3, 1977]

MEASUREMENTS ARE CHANGING

(By Gary Voss)

Measurements are changing in the world. They are changing from inches, pounds, feet, yards, tons, and so forth, to the new measurements of the Metric System.

People will use the Metric System as part of their daily lives. It will be easier in life. Just as for elders as for youngsters.

For elders it will be easier to figure out bills and other appliances. As for driving, instead of the speedometer reading in miles per hour, it will read in kilometers. The speed limit signs also will read in kilometers.

As for women in cooking, it will be in grams, liters and other metric measurements and also for youngsters. Math will be easier for them because there are no fractions in the math work of the Metric System. So the math work in schools and out of schools will be in the Metric System.

People think the Metric System is going to be a big problem. Well, it's not! The Metric System is going to be easier to learn and to work with.

The youngsters that are still in school will learn it faster and easier. But it still won't be harder for elders. Because they'll learn it right along with everybody else.

Even their children that learned it in school will help their parents learn it. Like if their moms get a new cookbook. So they decide to make a cake from a recipe and they look at it and it says maybe a liter of milk and they sit there and say, I don't get it, what's a liter of milk? I never heard of the word. So then they remember their kid saying something about he was learning the Metric System.

So they ask their kid to help them and so their kid tells them what a liter is and some other metric measurements.

And so later on after they get familiar with the Metric System then maybe they'll tell friends about it and so it will go on until somehow everyone will know the Metric System.

RENEGOTIATION BOARD CHAIRMAN ADMITS ERROR AND OVERSTATEMENT

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. HANNAFORD. Mr. Speaker, one of the most frequently asked questions today is "What is Congress doing to eliminate unnecessary spending?" In a period marked by high unemployment and inflation, as well as by problems of Federal, State and local government fiscal needs, and declining national capital investment, we can ill afford to waste tax dollars.

In this connection, Mr. Speaker, when it becomes apparent that a Federal agency has proven to be cost ineffective, and has patently engaged in bureaucratic abuse of power, then it is clear that that agency should be abolished. The Renegotiation Board is an unnecessary peacetime agency. What is worse, it appears that the Renegotiation Board has resorted to sensationalism in a desperate attempt to convince us of its importance by charging Lockheed with bilking the Navy out of 117 million pounds of steel. The investigation of this allegation, as I pointed out earlier, is properly the responsibility of the Criminal Division of the Justice Department. The only business the Renegotiation Board had in the matter was for publicity purposes at a politically sensitive time in the consideration of the legislation to extend its life and expand its powers.

The attached Wall Street Journal article of August 22, among others, reveals that as a result of an August 5 meeting concerning the accuracy of its charges, the Board retracted its allegations against Lockheed on August 17 and that its Chairman admitted error and "overstatement." The serious implications of the Board's conduct in this matter should not be overlooked.

As I commented in a letter on June 21 cosigned by Senator ALAN CRANSTON, the Board's behavior in the Lockheed affair provides ample evidence of the weak foundation on which it rests. The Rene-

gotiation Board deserves to be dismantled during peacetime and reinstated only during periods of national emergency. Attached are articles from the Wall Street Journal and the New York Times, and a Washington Star editorial on the Board's conduct:

[From the Wall Street Journal, Aug. 22, 1977]

RENEGOTIATION BOARD HEAD ADMITS ERROR IN ALLEGATIONS OF LOCKHEED OVERCHARGES

(By Jerry Landauer)

WASHINGTON.—After twice flogging Lockheed Aircraft Corp. for allegedly overcharging the government on Navy shipbuilding contracts, the chairman of the Renegotiation Board is grudgingly admitting that he made a mistake.

The board chairman, Goodwin Chase, acknowledged his error, along with probable "overstatements," in copies of a letter to Lockheed that were sent to key lawmakers on Capitol Hill to "set the record straight." His admission, embarrassing to certain legislators who had accepted the overcharge allegations as facts, could neutralize President Carter's pleas to extend the Renegotiation Board's life.

Government officials involved in the controversy between the board and Lockheed say it appears obvious in retrospect that Mr. Chase was using the company to whip up congressional support for legislation to extend the Renegotiation Board through 1982, and to enhance its authority to recapture excessive profits from defense contractors.

INVITING TARGET

"This is a grubby example of self-serving bureaucracy," said one Treasury official who asked not to be identified. Lockheed's scandal-tarred reputation, resulting from admissions of big payoffs abroad to win foreign business, makes the company an inviting target for ambitious bureaucrats, the official said.

Mr. Chase began his campaign against Lockheed in testimony to the Senate Banking Committee in June. Citing contracts that had been completed as long ago as July 1971, he contended that Lockheed's shipbuilding subsidiary couldn't account for 73 million pounds of steel for which it had billed the Navy as part of the cost for seven amphibious transport docks, known as LDPs. Lockheed's billing practices, Mr. Chase asserted, "proves that the Defense Department cannot, on its own, protect the taxpayers against overcharging by contractors."

Early in July, Mr. Chase sent three aides to the Seattle headquarters of Lockheed Shipbuilding & Construction Co. They concluded—and Mr. Chase immediately notified Banking Committee Chairman William Proxmire (D., Wis.) in a hand-delivered letter—that the missing steel amounted not to 73 million pounds but to 117 million pounds valued at $10.2 million.

And to make sure that Congress wouldn't ignore the Renegotiation Board's alertness in protecting taxpayers, somebody promptly leaked the fresh findings. "Lockheed Overcharge Estimate Raised," a four-column front-page headline in The Washington Post reported, and Mr. Chase confidently asserted, "I stand foursquare on my statement and would be pleased to have it subjected to investigative scrutiny."

But according to Robert W. Haack, Lockheed's chairman, Mr. Chase kept avoiding company officials who hoped to resolve the controversy peaceably. "I felt as though I had the plague," Mr. Haack said. It's also known that Brian Freeman, secretary of the Emergency Loan Guarantee Board, which administers Lockheed's government-backed loans, sought to act as mediator, apparently because Lockheed's bankers were getting edgy about the harmful publicity.

Finally, the contending sides met Aug. 5, and last week Mr. Chase sent Lockheed what appears to be a partial retraction.

"Following our meeting the board's analysis was again revised, taking into account data assembled by Lockheed," Mr. Chase wrote. "Based on that review, I erred in the translation of the dollar amounts in question to pounds of steel. If the figures calculated by your internal auditors are correct, my figures for the amount of unaccounted steel are overstated."

LARGE DIFFERENCES

Mr. Chase contended, however, that "large differences" remain between the amount of steel Lockheed purchased and the amount it used to build the seven ships, but he offered no figures. Mr. Haack said that "if you put all the unaccounted for steel in your eye, it wouldn't hurt."

Repeated efforts to reach Mr. Chase weren't successful; his special assistant, John Davison, said the chairman isn't recanting or withdrawing "the initial position he took relative to the Lockheed matter. . . . I won't take the liberty of speaking for him beyond that point."

In any case, Mr. Chase's acknowledgement of error in calculating the dollars that may be involved won't help win votes in Congress to expand the Renegotiation Board's authority. Before the congressional recess, House Speaker Thomas P. O'Neill (D., Mass.) hesitated to bring the legislation to a vote, despite a round of letters from the President urging passage of the bill. In the Senate, Mr. Proxmire's Banking Committee is scheduled to consider the legislation in mid-September.

One particularly controversial feature of the measure is a provision authorizing Mr. Chase's board to scrutinize defense contractors product-by-product rather than on a company-wide basis.

[From the New York Times, Aug. 23, 1977]

ERROR CONCEDED IN CHARGES OF LOCKHEED OVERBILLING

(By Clyde H. Farnsworth)

WASHINGTON, AUGUST 22.—The Lockheed Aircraft Corporation today released a letter from Godwin Chase, chairman of the Government's Renegotiation Board conceding that he had "erred" in alleging before a Senate committee that the company had overcharged on a contract for the construction of seven amphibious transport dock ships for the Navy.

"You don't make undocumented charges and pronounce upon them publicly to further your interests," said Robert W. Haack, Lockheed's chairman, in an acerbic comment on an affair that has implications going well beyond a single company and the agency whose job is to prevent excess profits on defense contracts.

The admission by Mr. Chase that he "erred in the translation of dollar amounts in question to pounds of steel" and that "my figures for the amount of unaccounted-for steel are overstated" came as legislation is pending in Congress to extend the life of the Renegotiation Board to 1982 and to give the agency and its newly appointed chairman new powers.

The letter constitutes a potential embarrassment for the board and could weaken the legislative efforts in Congress.

The board, which has 179 employees, technically went out of business last September 30, when the last Renegotiation Act, which had been extended 13 times since originally enacted in 1942, expired. The board now works only on its backlog. It cannot examine any new cases.

Mr. Chase said today: "My letter in its entirety speaks for itself. I have no further comments to make."

He had conditioned his admission on the correctness of figures calculated by Lockheed's outside auditors, Arthur Young & Company.

The letter went on to raise a series of other questions about Lockheed's contracting procedures and said, "I have requested the Defense Contractor Audit Agency to assist the board in a further review of these areas."

Among the items questioned were: The cost growth figures submitted by Lockheed to the Navy in support of its contract claim; the "apparently excessive" progress payment billing to the Navy; the large difference between the amount of steel purchased and the amount actually used in the ships, and the relationship between these items and those currently being investigated by the Department of Justice on the Destroyer 1052 contract performed by Lockheed in the same period of time.

COMMENTS BY HAACK

Mr. Haack said in an interview from his headquarters in Burbank, Calif.:

"This is an oblique admission that he blew it. But Mr. Chase has kept the issue alive by raising difficult-to-understand problems We can justify our cost growth. Our progress billings to the Navy are reconcilable. Our scrap rates are defensible, and what the relationship is to the destroyer escort business is I just don't know."

Mr. Haack, who came from the presidency of the New York Stock Exchange to try to rebuild an image of Lockheed that had been shattered by overseas bribery scandals in the mid-1970's, said: "The kind of loose, irresponsible talk engaged in by Mr. Chase in those Senate hearings last June can be very damaging."

Through an Act of Congress, the Government had guaranteed up to $250 million of loans from a consortium of 24 commercial banks, and according to some reports, the bankers were getting nervous about the unfavorable publicity last June. Lockheed has paid back all but $80 million of the money.

Mr. Haack said he had tried to reconcile the dispute with Mr. Chase privately after calling on both internal and external auditors to examine the 28,000 invoices and count the steel in the contract at issue.

"I told him [Mr. Chase] that if any Lockheed personnel were culpable I'd cooperate in putting them in jail. He said he would apologize if he were wrong."

Mr. Haack continued: "We were absolutely certain that our case was right, but we simply couldn't get an audience. All we wanted was for his staff people to go over the facts with our staff people, but we were never accorded that courtesy."

Bills have been introduced in both Houses of Congress to extend the life of the Renegotiation Board.

The proposed legislation provides for penalties if companies fail to file with the board, allows it to issue subpoenas to get basic company information, empowers it to examine contracts on a product-by-product basis and requires an annual review of its activities by the General Accounting Office.

[From the Washington Star, Sept. 2, 1977]

CHASING THE "MISSING" STEEL

The Renegotiation Board has sometimes been characterized as a band of toothless tigers. Then Goodwin Chase came along. Mr. Chase, who recently was appointed chairman by President Carter, was described once by a House Banking subcommittee chairman, Rep. Joseph Minish, as the "only real tiger on that board."

It appears that Mr. Chase may have taken a bite out of his own tail in his campaign to give his board new life and broad authority.

Last June, Mr. Chase told the Senate Banking Committee that Lockheed Aircraft

Corporation's shipbuilding subsidiary had billed the U.S. government for 73 million pounds of steel that it couldn't account for in building seven amphibious transport drydocks. This proved, Mr. Chase said, "that the Defense Department cannot on its own protect the taxpayers against overcharging by contractors."

What it also proved, Mr. Chase would have liked members of Congress to conclude, was that it was necessary for the Renegotiation Board to ride herd on contractors who do business with the government. That, of course, was what the Renegotiation Board was supposed to do when it was established in 1951.

Congress evidently has been far from satisfied with the board's record of recovering excess profits; the lawmakers have voted the board operating funds from one congressional session to the next but have never established it as a permanent agency. The board generally has been considered something of a joke around town and Presidents have used it frequently as a repository for minor politician to whom favors were owed.

But President Carter and Mr. Chase, as well as subcommittee chairman Minish, are trying to persuade Congress to strengthen the board and give it permanent status. How convenient that steel overcharges by Lockheed, some involving contracts completed as long as six years ago, were discovered by Mr. Chase just as congressional committees were considering the legislation.

Mr. Chase pursued the Lockheed matter by sending three aides tor the shipbuilding subsidiary's headquarters, after which he informed the Senate Banking Committee by letter in July that the amount of missing steel was not 73 million pounds but 117 million pounds valued at $10.2 million. According to the *Wall Street Journal*, this higher estimate was promptly leaked to the press and resulted in prominently displayed new stories.

But was it 117 million pounds? Was it even 72 million pounds? Apparently not.

After meeting with company officials August 5, Mr. Chase sent Lockheed a letter which, according to the *Journal*, said in part: "Following our meeting the board's analysis was again revised, taking into account data assembled by Lockheed. Based on that review, I erred in the translation of the dollar amounts in question to pounds of steel. If the figures calculated by your internal auditors are correct, my figures for the amount of unaccounted steel are overstated."

How much overstated? Mr. Chase didn't say and the *Journal* said repeated attempts to reach him for clarification were unsuccessful. A company official contended that "if you put all the unaccounted for steel in your eye, it wouldn't hurt."

Well, how much steel, if any, did Lockheed overcharge the government for? Before giving the Renegotiation Board sharper teeth, the Senate committee ought to find out. It ought also to ask board officials for a full explanation of how and why they erred and whether going after Lockheed was mainly to promote legislation they wanted.

And tigers ought to be careful what they sink their teeth into; they could wind up swallowing themselves.

YOUTH INTERNSHIPS IN THE FIELD OF AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. PEPPER. Mr. Speaker, I am pleased to introduce today a bill to provide for the placement of secondary school students in internships with aging professionals at administrative, research, and service levels for the purpose of sensitizing our youth to the problems of older people, to dispel negative stereotypic notions youth have about the aged and the aging process, and to encourage them to explore career opportunities in a field of aging.

For too long there has been a lack of career exploration in the area of aging. In the past few decades, however, both public and scientific attention has focused increasingly upon our elderly population, for they comprise the fastest growing group in our society. By the year 2020, over 40 million Americans will be aged 65 and above, compared to 22 million in 1975, and only 3 million in 1900. Due to breakthroughs in medical science, more and more people are enjoying longer lives. In 1900, a person could expect to live an average of 47 years. Today, the average life expectancy is 72 years. In each succeeding decade the proportion of elderly to young in the population will increase.

This substantial growth in numbers of individuals projected to be over 65 in future years is a compelling reason for public attention to focus on the shortage of manpower trained and capable of dealing effectively with an older person's needs.

Dr. Robert Butler, a noted gerontologist and psychiatrist, in testimony before the Senate Special Committee on Aging, expressed his concern regarding the lack of Federal attention devoted to training competent people for decisionmaking positions in the field of aging:

> . . . I would like to make one final point which is the need for training so that we can be assured that we get proper placement to begin with. Perhaps 20 to 40 percent of the people need not even go to nursing homes but could be in less expensive circumstances, home care, etc. To have properly trained people to make those decisions is something we have not really worked on adequately in the legislative authority so far.

Older people deserve a citizenry which is cognizant of and responsive to their plight. In time, as our enlightened public sentiment is translated into new and innovative methods of meeting older peoples' needs, many more jobs will be created in the field of aging. Such job development is not likely to abate and will require a large cadre of skilled personnel to implement effectively.

Our country possesses the resources necessary to meet these predicted personnel shortages—its youth. The current controversy surrounding the youth unemployment problem should prompt the Government to prepare this population for service with the aged—where opportunities for employment will abound. The rate of unemployment for youth has been consistently higher than that for the work force as a whole, and the problem is getting worse. The unemployment rate for teenagers has not been less than 10 percent since 1953; and between 1968 and the present, when the national unemployment rate rose from 3.6 to 8 percent, the teenage rate rose from 13 to 21 percent.

It has always been difficult for students to make the transition from the classroom to the world of work. Youth graduating from high school today are incapable of making informed choices regarding a productive role they can fill in society, with or without education, simply because they have so little contact with the working world and receive little or no skill preparation for such opportunities. Youth need experiences that develop the responsibility, self-reliance, and initiative upon which such informed choices are made. The ultimate success of schools depends upon their ability to provide these opportunities. Yet, formal schooling is carried on in the classroom with little of the learning experience from working in the community or with adults recognized or encouraged. Interpersonal and communication skills are largely ignored, despite the fact that human service employment opportunities in the area of aging are increasing as is the demand for these kinds of skills.

Mr. Speaker, the legislation I am introducing addresses this problem. This bill will provide high school students with work experience through education-related internships with policymakers, researchers, and service providers in the field of aging. This training device will bridge the gap between the world of academia and the world of work, expose youth to career opportunities in aging, and perhaps most importantly, assist to dispel the limited thinking children have about the elderly and their own aging process.

There needs to be an exchange between the young and the old. According to one study, young people fear growing old and thus tend to alienate the elderly. To youth, old people are those who are wrinkled and sad; they chew funny, walk with canes, and sit in wheelchairs all day. Such stereotypic thinking about older persons and the aging process is potentially harmful. In order for children to develop the positive self-concepts necessary for a fulfilling life, they must be able to adapt to their own changing, aging selves.

The Select Committee on Aging, which I chair, found that children may stereotype the elderly simply because they have so little contact with persons older than themselves outside their family unit. Opportunities, such as I propose in the legislation I offer today, must be made available in order that children might develop a positive perspective of the aging process. These internships will enable youth to get to know older people in a variety of settings and serve to assist them in challenging the stereotypes that society has constructed and perpetuated about aging and the elderly.

With the passage of the 1973 amendments to the Older Americans Act, Congress expressed its intent to bridge the gap between the young and old when adding 202(b), which states:

> (b) In executing his duties and functions under this Act and carrying out the programs and activities provided for by this Act, the Commissioner, in consultation with the Director of Action, *shall take all possible steps to encourage and permit voluntary groups active in social services, including*

youth organizations active at the high school or college levels, to participate and be involved individually or through representative groups in such programs or activities to the maximum extent feasible, through the performance of advisory or consultative functions, and in other appropriate ways. (Emphasis added.)

Under title IV–A of this same act, the Administration on Aging—AOA—is authorized to help meet the critical shortages of adequately trained personnel for programs in aging. The AOA supports training programs at institutions of higher learning that provide students with the necessary gerontological knowledge and skills to enable them to serve older Americans in their chosen career or profession. However, to date, the primary responsibility for recruitment and preparation of people for a career in the field of aging has been borne by our Nation's institutions of higher learning. This Federal program does not attempt to sensitize our secondary students to the problems of older persons prior to their entrance into an institution of higher learning or the world of work, despite the congressional mandate to do so.

The Nation and the Congress are concerned about the plight of the unemployed youth as well as the plight of the uncared for older person. My bill is a response to both of these problems. It will amend title IV–A of the Older Americans Act to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging.

Students participating in such an internship program would have the opportunity to provide recreational, companion, escort, homemaker, and other similar services to older persons; to assist in determining the manner in which policy determinations are made in connection with programs and services in the field of aging; and/or to assist in information-gathering programs and processes relating to problems in the field of aging. Students participating in such internships would receive course credit.

Mr. Speaker, I believe we can no longer afford to ignore the provision the 93d Congress wisely included in the Older Americans Act to encourage youth participation in programs for the elderly. The bill I offer today is a step toward fulfilling that promise. I would urge my colleagues to join me in support of this worthwhile measure.

Last, Mr. Speaker, two people made a very special contribution in guiding the direction of this legislation: Ms. Sharlene Hirsch, national director of Executive High School Internships of America, who generated the proposal upon which this legislation is based, and Ms. Christy von Kaenel of Bowdoin College, who as an intern on the Select Committee on Aging furnished me the information and data necessary to prepare this bill.

I am pleased to insert at this point the text of this legislation:

A bill to amend the Older Americans Act of 1965 to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Youth Internships in the Field of Aging Act".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby finds that—

(1) older persons make up the fastest growing segment of the population of the Nation, since, by the year 2020, more than 40,000,000 individuals living in the Nation will be 65 years of age or older, compared to 22,000,000 such individuals in 1975, and 3,000,000 such individuals in 1900;

(2) the increasing number of older persons in the population of the Nation, and the frequency of the medical and social problems experienced by such persons, has created a shortage in the number of persons trained and capable of providing effective assistance and services to older persons in connection with such problems;

(3) the need to expand and improve the quality of life for older persons is not likely to abate;

(4) it is of critical importance that competent individuals who have an understanding of older persons and their problems be recruited to provide effective assistance and services to older persons;

(5) the primary responsibility for recruiting and training individuals for a career in the field of aging often has been performed by institutions of higher education;

(6) incentives must be developed to interest individuals in exploring career opportunities in the field of aging before such individuals begin their courses of study at institutions of higher education; and

(7) a program for the placement of secondary school students in internship programs at administrative, research, and service levels with professionals in the field of aging is a suitable mechanism for preparing individuals for careers in the field of aging.

YOUTH INTERNSHIP PROGRAM

SEC. 3. (a) Part A of title IV of the Older Americans Act of 1965 (42 U.S.C. 3031 et seq.) is amended by adding at the end thereof the following new section:

"YOUTH INTERNSHIP PROGRAM

"SEC. 405. (a) The Commissioner may—

"(1) make grants to any public or nonprofit private agency, organization, or institution, or to any State agency referred to in section 304; and

"(2) enter into contracts with any agency, organization, or institution specified in paragraph (1); to assist any such agency, organization, or institution in the development and maintenance of internship programs for secondary school students at administrative, research, and service levels with professionals in the field of aging.

"(b) Any agency, organization, or institution specified in subsection (a) which desires to receive a grant, or enter into a contract, under this section shall transmit an application to the Commissioner. Any such application shall be transmitted at such times, and in accordance with such procedures, as the Commissioner may reasonably require. Such application shall—

"(1) contain a description of the nature of the project which will be carried out under the grant or contract involved;

"(2) demonstrate the manner in which secondary school students participating in such project will—

"(A) provide recreational, companion, escort, homemaker, and other similar services to older persons;

"(B) assist in determining the manner in which policy determinations are made in connection with programs and services in the field of aging; and

"(C) assist in information-gathering programs and processes relating to problems in the field of aging;

"(3) demonstrate the manner in which such project will seek to—

"(A) interest secondary school students in exploring career opportunities in the field of aging;

"(B) stimulate greater communication among generations, in order to familiarize secondary school students with problems in the field of aging; and

"(C) encourage secondary school students seeking careers in the field of aging to acquire the skills and experience necessary to provide effective assistance and services to older persons; and

"(4) certify that secondary school students participating in such project will receive course credit from the secondary schools involved for such participation.

"(c) For purposes of this section and section 401, the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that such term does not include any school providing education provided beyond grade 12.".

(b) Section 401 of the Older Americans Act of 1965 (42 U.S.C. 3031) is amended by striking out "and" before "(4)", and by inserting before the period at the end thereof the following: "; and (5) by establishing internship programs for secondary school students in the field of aging".

SELECT COMMITTEE ON POPULATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. McKINNEY. Mr. Speaker, despite my concern over the expansion of the committee structure in the House, I am a cosponsor of House Resolution 70 and rise in full support of the creation of a Select Committee on Population.

Mr. Speaker, I have consistently and wholeheartedly supported efforts to improve the efficiency of our legislative process through the elimination of overlapping jurisdictions in many House committees. At present there are seven committees in this body with at least limited involvement in population-related issues. However, I see the creation of the Select Committee on Population as a remedial action rather than as a further proliferation of committee jurisdictions. In fact, Mr. Speaker, one of the essential functions of the committee will be to provide a focal point for the widely dispersed activities of those seven standing committees. The new committee will provide the first comprehensive analysis of global and national population trends that I have seen in my 7 years in the House.

In a letter to all Members, our colleague, Representative JOE MOAKLEY, Democrat of Massachusetts, stated that a review by the House Rules Committee of nearly 20 proposals for the creation of select committees resulted in the approval of only two—the Select Committee on Population being one. Mr. Speaker, I stand fast in my opposition to increasing the number and jurisdictions of the committees of this body. However, when problems, such as those resulting from the expansion of world population, be-

come so severe as to warrant immediate congressional attention, we have a responsibility to respond. And, there can be little doubt as to the seriousness of the problems of the world's ever-increasing population.

As my colleagues well know, the 4 billion inhabitants of this Earth may become 8 billion in just 35 short years. Furthermore, there is justifiable concern that the 500 million starving and malnourished people in the world may double in an even shorter timespan. The select committee will be able to provide all of us with a comprehensive analysis of the reasons and potential remedies to these regressive effects of overpopulation. The recommendations of the select committee to the seven standing committees will, as mandated by the provisions of H.R. 70 include the results of research on birth control methods—other than abortion—food reserves, and pollution resulting from population expansion. I expect that the committee will also forecast the implications and possible remedies for unbalanced resource distribution throughout the world—presently 5 percent of the population consumes 33 percent of the nonreproduction resources.

Mr. Speaker, it is the responsibility of each Member of this body to become much more aware of the myriad of problems associated with population growth. Future legislation must reflect our cognizance of worldwide demographics. I therefore urge each of my colleagues to support the committee in order to afford us the opportunity to educate ourselves more fully on these real and present problems.

THE ISSUE ISN'T BERT LANCE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BAUMAN. Mr. Speaker, today's editorial page of the Baltimore Sun contains an interesting comment on the real meaning of the Bert Lance affair. I commend it to my colleagues for their consideration in the larger context of this issue:

THE ISSUE ISN'T BERT LANCE

Bert Lance may be at the center of the controversy as daily revelations surface about his activities as a Georgia banker, his personal finances, his 1974 gubernatorial campaign and the casual intermingling of all three. But he is not the issue. With each passing day, each new revelation, Bert Lance in one sense recedes into irrelevancy as his old friend Jimmy Carter becomes more and more the central issue.

This is not to suggest that Mr. Lance's pre-Washington conduct is unimportant. It is important for what it tells of the nation's budget director and should be explored. Nor is it to suggest that Mr. Lance's preoccupation with his personal problems is of no consequence to government. If that were the case, then there would be no need for a budget director. But there is a need, particularly at a time when the administration's first budget is being formulated.

But the core of the matter is President Carter stacked up against Candidate Carter. The Lance affair has revealed a gap between the two, what in times past was called a credibility gap. Jimmy Carter was not elected on the basis of his platform, on a promise to cut defense spending, or to balance the budget, or to reform welfare. His platform was so sweeping and so vague that it evoked an uneasy distrust among many Americans. Jimmy Carter was elected in spite of the shifting specifics of his campaign.

He was elected because he offered a new and higher moral and ethical tone. This was the righteous candidate who said things should not only look right, they should be right; who preached openness and honesty and integrity; who said "We ought not to lower our standards in government. Our government in Washington ought to be an inspiration to us all and not source of shame." Jimmy Carter offered an answer to Watergate, to government by lie, cover-up, evasion and stonewalling.

President Carter, the Lance affair reveals, is something else. He put friendship above all else; he turned aside a report that raised numerous questions and suspicions about Mr. Lance's conduct because that report concluded that there was no reason to indict Mr. Lance. He was, said the President in reaction to that report, "proud" of his old friend.

The matter subsequently has grown more ominous. Mr. Lance is under investigation by several federal agencies with prosecutorial functions. And, worst of all, there are suggestions of cover-up by the Carter inner circle, of a failure to make known potentially damaging information about Mr. Lance before he was confirmed. Yet, the President now stands silent.

Bert Lance will have to answer for his conduct. And President Carter will have to answer for his. The President has expended considerable political capital. He has wasted it away. He has shown himself to be a shadow of the inspiring presidential vision he offered the American people. The time when Bert Lance could rescue his old friend by resigning is past. The damage, severe damage, has been done.

BRITISH-UNITED STATES RELATIONS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. WHALEN. Mr. Speaker, the new British Ambassador to the United States, the Honorable Peter Jay, addressed the National Press Club yesterday.

Having just read a copy of the text of his remarks. I am impressed by what he articulated and the manner in which he did so. It is clearly an important statement of how the present British Government views its relationship with the United States and should be of interest to Members of the House. For that reason, I insert it at this point in the RECORD.

SPEECH BY THE BRITISH AMBASSADOR, MR. PETER JAY, AT THE NATIONAL PRESS CLUB, WASHINGTON ON SEPTEMBER 7, 1977

Perhaps I may first say a word or two of a personal kind about my first impressions of Anglo-American relations seen from the, for me, very new vantage point of an Ambassador's office and about the new era beginning in my own country. I was first of all very fortunate to be marvellously briefed in London by the Foreign and Commonwealth Office and by many other government departments, by trade union leaders and private corporations and by my eight immediate predecessors at 3100 Mass. Never I would think in the history of diplomacy was so much taught by so many to so few in so short a time. This experience, which had me travelling from Brussels to Belfast as well as up and down miles of corridors and dozens of elevators, left me with an abiding impression of the extraordinary breadth and diversity of the interface between our two countries. I began to believe that there was no one in Britain, no matter what he was doing, who did not feel a burning need to be kept closely in touch with his opposite numbers in the United States or who did not expect the Ambassador to see to it that all obstacles were removed from his path. While this is doubtless an exaggeration and while I at times felt somewhat daunted at having such a flood of intercommunication flowing through my study, I was deeply impressed at the richness, closeness and enthusiasm of the interest and friendshp felt in Britain for the American people and for so many aspects of American life and activities.

Diplomacy, I began to realize—at least where it concerned that multi-lane highway between the US and Britain—was no longer a matter of the measured exchange of elegant pleasantries and occasional exquisite indignation between stately chanceiries, but rather an integral part of the hurly-burly of every day life across increasingly invisible international frontiers. People in all walks of life in Britain are fascinated uniquely with what is going on in the US, with how it may affect them, with the opportunities it may afford them, with new ideas that may benefit them and, above all else, with the living proof which America represents that against all odds and all reasonable expectations problems can be solved and free societies can survive and prosper.

Secondly, I was exceptionally lucky to arrive twenty-four hours before an important round of talks between our Foreign Secretary David Owen and Secretary of State Cy Vance about our joint policy in Rhodesia. Apart from being a rare, instructive and impressive opportunity to see the top foreign policy-making echelons of the Administration—both in the State Department and in the White House—in operation right from the word "go", it seemed to be an object lesson in how business should be done. Indeed, I began to wonder, if all international relations were like this, how there could be so many problems in the world. Of course, it helps when the business is being done between old and close friends and allies who see eye to eye on all the main issues. But I was very struck by the speed and ease of communication, by the automatic assumption of mutual confidence and shared values and by the open willingness on both sides to modify previous thoughts quickly and cheerfully in response to sound points raised on the other side. I realise of course that things cannot always be quite so harmonious; but I do like to think that in relations between the US and Britain we at least always start from third base because we do not have to spend time overcoming differences of values, language and intellectual frameworks. Where we disagree at least we understand how and why we disagree. Take even the vexed question of Concorde's landing rights at New York. We have spent a lot of money with our partners in France building this plane. We naturally want to operate it on the premier transatlantic route for which it was designed. We believe that we are entitled to do so under international agreements and American law. You understand that. But the Port of New York Authority interprets its responsibilities as requiring it to oppose landing rights at Kennedy airport; and it is defending its right

to do so in the courts. There is very strong feeling on the part of some of the inhabitants of the airport area; and there are elections coming up in New York City and State. We understand all that, as we understand that the Federal executive cannot dictate either to the courts or to state and municipal authorities under your Constitution. The matter is being pursued by due—though some would say unduly slow—process of law in accordance with the ideals of the rule of law and an independent judiciary which we like to think of as one of our most successful exports. We know that we shall get fair play and that Concorde will be allowed to prove itself in New York. (And I hope that forestalls all the "have-you-stopped-beating-your-wife" questions which you had planned to ask me about Concorde!)

We take this view because we are a mature and grown-up democracy who confidently believe in the ideals which both you and we profess. A few years ago we might not have been quite so calm. From Suez to the inflation crisis of the mid-'70s we went through a very bad twenty years, which might well have sapped the self-confidence of any but the most blindly proud people. The name of the game was growth; and we were no good at it, though not notably worse than the US, which could, however, better afford to rest on its laurels. Confidence in the standards observed in public life took some bad knocks; and party politics sometimes spilled over outside its proper domain. We could not make up our minds conclusively what was our proper role in Western Europe; and we sometimes found it easier to paper over our manifest shortcomings with wall-to-wall excuses, eked out with the absurd reassurances that, even if the twentieth century just was not quite our scene, this was of little consequence for a nation that had done so well in other centuries and had given the world Magna Carta, thatched cottages and cricket.

But the two years from the summer of 1973 to the summer of 1975 were a true catharsis. We went to the brink, looked over and frankly did not fancy the drop. A new realism began to spread through the country. British trade union leaders put together the toughest and most successfully policed two years of pay restraint that we have seen, even though this went with the first sustained fall in real living standards in post-war memory. The Chancellor sat on the money supply, which followed a course of steady disinflation that Professor Milton Friedman himself might have charted. The budget deficit was brought under control and was consistently smaller, in relation to the size of our economy, than those of the U.S. and West Germany. The stock market has now recovered more than all the ground it lost from the early days of 1973 and looks set fair soon to achieve new all-time peaks, though it will take a little longer, no doubt, to make up the ravages of mid-decade inflation as well. Inflation is now coming steadily down. The balance of payments, helped by the fruits of the North Sea and the Chancellor's dogged refusal to let home spending rip is moving briskly into a large prospective surplus. Britain's reserves are now rising so rapidly as to be almost an embarrassment. The pound is steady and foreign investors are increasingly looking towards Britain, a land without Eurocommunists, grave political uncertainties or astronomic labour and other costs, as one of the most attractive outlets in West Europe for industrial and commercial expansion.

But the change goes much deeper than these favourable cyclical trends. Being cyclical some of them will doubtless turn unfavourable at some future point; and I would not wish to base a case purely on those kinds of shifting statistical sands. The new realism reflects a change of heart which is:—

In part a product of the experience of the early to middle 1970s;

In part a product of a new generation in all parts of our national life who newer knew the era of Empire and great-power status and so have no hankerings to go back to an irrecoverable past, who caught the American preference for success over the most elegantly justified failure and who have begun to show how realism allied to imagination and inventiveness can begin to transform the old stereotype of the necessary relations between capital and labour;

And in part the product of a new leadership in our national life which prefers facts to fancies and which is determined to give priority to policies that strengthen the nation over a decade rather than to postures which may grace tomorrow's headlines. As the Prime Minister put it to me as we walked the white cliffs overlooking the English Channel the weekend he took over the government, he saw his role as being that of Moses, to lead the people away from Egypt into the desert in the direction of the promised land even if it were never given to him to see it. That struck me then and strikes me now as the language of realism and statesmanship; and we already begin to see its fruits.

This change of heart has not only been apparent in Britain's domestic affairs: it has been exemplified also in our dealings with the world. The decision of the British people in 1975 to confirm their membership of the Common Market was decisive, laying to rest a long and unsettling debate about the form of our involvement in Continental affairs. This has given new and practical significance to Winston Churchill's old saw about Britain's unique position at the natural intersection of European, Commonwealth and Atlantic relationships. That role is no longer based on a real or illusory status as a global power, though Britain's long experience in international affairs and the Labour Party's traditional belief in a principled foreign policy, based on the ideals of universal human rights and self-determination, are together proving an invaluable heritage in today's conditions. Thus we have seen this year steadfast and prompt British support for President Carter's stand on human rights, unprecedented Anglo-American cooperation in Southern Africa, important developments in political cooperation in Western Europe under the British Presidency and a constructive contribution in the Paris North-South Dialogue, where all three axes of our world relationships come together. Without any lingering pretensions beyond our means we have settled down in a sensible pursuit of our reasonable interests and ideals whenever our history and our skills enable us to aim at practical achievements.

But, of course, we are not going to overcome the problems of decades—indeed, so far as our poor growth performance is concerned, of over one hundred years—in a brief span of years. It is a long hard hike through that desert. We shall certainly go through a very rough period this fall and winter as we adjust to the return of free bargaining over pay. Re-entry is always a scorching experience; and when you are dealing with the free decisions of twenty-three million independent-minded working people you can not expect to fine-tune the process with all the accuracy of a NASA computer. Yet, even here, we already see favourable signs: carworkers who are not willing to be led into industrial confrontation which they believe unjustifiable and unprofitable; the government airports authority which is resisting strong pressure to set a dangerous early precedent; and other encouraging straws in the wind. I am sorry about the inconvenience to the travelling public in the case of the Heathrow dispute. I can think of no greater misery than to spend hours stuck on the ground in an airliner waiting to take off. But there is something even more important at stake, and I believe that most travellers know that.

I give you fair warning, Mr. President, that we are back in business in Britain, not because we have solved all our deeper problems—we are only starting on the most urgent—but because we have recovered our self-confidence and our self-respect, because we are no longer divided on the fundamentals of economic realism, because decency and trust are beginning to return in our public life, above all else and quite simply, we are fed up to the back teeth with failing and introspection and we are coldly determined that over the next twenty years we are going to succeed.

And that I believe will be the best foundation for the continuation and reinforcement of that special friendship and mutual enjoyment with the U.S. which is, as David Owen put it to me on television earlier this year, the most important relationship we have.

"A GREAT WOMAN IN A GREAT CITY"

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. MILFORD. Mr. Speaker, I would like to share with you a story that was published in the Sunday Magazine of the Dallas Morning News about one of my good friends in Irving, Tex. First, I think you should know that Irving is a suave, sophisticated city and rather conservative in philosophy. In many ways, this city of 118,000 people is the typical "suburbia" often sterotyped in TV shows.

Recently, Jackie Townsell, who is both female and black, defeated a white male realtor to win a seat on the Irving City Council. I think it is an interesting story.

Politics is not Jackie's only claim to fame . . . she cooks some of the best food in the district. Both my staff and I enjoy eating at Jackie's grocery-cafe where you can always find the best black-eyed peas around.

Mr. Speaker, I include this article written by Mike Granberry in the RECORD:

IN PLACE IN IRVING

(By Mike Granberry)

The stringy-haired, buck-toothed teaser limps in with a grin, plops down to a hot plate of meat loaf and cabbage and expresses unequivocal, unabashed displeasure.

With a smile as big as Dallas and a falsetto that would fill Gomer Pyle with pride, he declares, "All I need me is some YEW-TIN-SILLS!"

First one laugh, then another. In moments, everyone in Jackie Townsell's Irving, Texas, grocery-cafe is laughing like a seasoned idiot. Epidemic laughter, Jackie leading. Guffaws, running rampant.

Welcome to the House of Good Feeling.

Soon, the country-talkin' cane-poker is fitted with knife and fork and is gobbling cream corn and slurping strawberry Kool-Aid from a Mason jar as if his last meal had been set before him. "Jackie," he drawls, corn dripping out the side of his mouth, "I'd vote for yew inny-time!"

"Thank you," she replies. And laughs and laughs . . .

The noon rush over, Jackie herself settles down to a jar of Kool-Aid and an hour of quiet conversation. Only a few latecomers remain, munching diligently in the corner.

"I'm the only woman on the Irving City Council," Jackie declares, "and that is no problem for me. I speak out and say what I want and handle myself in the most business-

like manner possible. Men understand that, you know."

The men in the corner could be a trio of extras taking leave from "Straw Dogs." Or characters from the pages of a D. H. Lawrence novel. The men are mechanics, and they are greasy. They even joke about the odor they carry.

Hearing Jackie's remark, the curly-haired man rises, holds his cornbread high in the air in mock salute and cries out, "Amen, brother! Ahhhhhh-Men!"

Jackie laughs.

To a politician like Jackie Townsell, such endorsements are often worth free meals. But everyone pays at Jackie's place, and everyone gets their money's worth: all-you-can-eat, $2.50. And almost no one walks into or away from Townsell's Grocery without feeling embraced.

The air in there is certainly warmer than it is in anyone's political headquarters. Besides Jackie's omnipresent laughter and home cooking, a two-tone cat curls up in the corner and naps for a solid hour. Dust gathers on the Hershey bars as if, by God, it belonged there. Two boys, one black, one white, wearing boxer shorts, wrestle over a Dr Pepper bottle that is half as big as they are.

Jackie's mother, Mrs. Ola Howard, who along with Mrs. Ruby Collins cooks most of the vittles, takes swipes at three flies trying to kamikaze their way into the meat bin.

Follow the sloping ceiling and rutted floor of Jackie's general store all the way to the characters hunched in primitive chairs in the back corner. Past the Tide, Wonder Bread and Hostess Twinkies. Even past the Lifebuoy. Way past the Lifebuoy. Quick to admit that Jackie is an Irving folk hero, these pot-bellied boys are even quicker to confirm that they'll be back, again and again.

Politicized fork-movers have always frequented Townsell's Grocery, but lately more and more have been stopping in, having heard of or read about Jackie and wanting a piece of the action. Like a piece of peach cobbler, served up after cornbread and meat loaf and strawberry Kool-Aid.

Jackie Townsell's popularity base began building seventeen years ago, she suspects, when she and husband Jimmy first opened a grocery store in the muddy Bear Creek community of West Irving. A behind-the-scenes grassroots political organizer, Jackie started stuffing hearty meals into the stomachs of hungry callers five years ago. Food became the ultimate unifying force, luring eaters of all ethnic origins. "Me and Jimmy used to live here," she says, pointing to the back door where the bedroom used to be. "I'd be cookin' and people'd want some. I figured I'd better make 'em pay for it."

Which is cause for a good-natured laugh. And another. Looking "lean and mean" in summer blouse and blue jeans, Jackie appears much younger than 41, the mother of a man of 26. A fan of her own cooking, she is one of those rare individuals who can stomach great quantities of food and at the same time struggle to keep her weight up. Infuriating, those people are. But Jackie more than makes up for it. Good feeling comes as naturally to her as a giggle or a grin. Opportunity is a constant companion. The luckiest of accidents appear to happen to her as often as the grocery door swings open, as often as she smiles, takes another bite or greets a newcomer.

Truly blessed by chance—"I *have* had a good life," she says—Jackie is equally endowed with a gift for gab. Storytelling is as much a part of the store scene as political theorizing. Jackie is a laugh-along ringleader whose laugh is almost always the last. And for whom votes, when the time came, were as naturally easy to come by as belches of satisfaction.

The time was April, when Jackie defeated two challengers for a city council post. White realtor Jack Spurlock finished second; retired Navy man Johnny Watson, third. Watson visited the store, offering congratulations. Spurlock was never heard from.

"You wanna know how all of this started?" she says now, turning a capped hot sauce bottle upside down and watching its contents flow thickly to the top. "We used to sit around and talk about things—that's how it all got started. We'd talk about this amendment, that resolution—the world or the local situation in general. We'd discuss and cuss, agree, disagree, hash it out just to pass the time.

"I can remember first being really concerned long about 1968. But that wasn't the time for a black woman to run for office in Irving, Texas. Gradually, I got better and better feelings about running. Knowing when to run—why, people just made me feel it. Made me feel like I ought to.

"My white friends gave me the go-ahead to run. They asked that I put together a resume, list everything that I'd done in the last five years." She laughs. "They were shocked *and* impressed. It was so long." Laughs again. "One thing leads to another—don't you know?

"I feel delighted to be elected," she says, mentioning that she had lost a council seat by 225 votes in a runoff three years ago. Long active in civic affairs, Jackie preceded her council bid by serving as precinct chairman, a post she resigned to run her April campaign.

"To know the kind of people we have here—progressive proud people—makes me feel pride. I'm happy just being associated with them. I have so many friends, I'm filled up with tears just thinkin' about 'em . . .

"You know," she continues, "I don't know what a person would do without friends. A friend is someone I talk to whenever I'm low. Someone I call up whenever I want. Someone who's always there. Friends mean love to me, no matter what color they are.

"See, I see myself as a voice, a voice of all the people. I want to listen to the needs of those less fortunate than me, through I resent 'black spokesman' tags. I'm not a spokesman anyway. I'm a spokesperson." she laughs.

"Understanding means a lot of things, and I want to be all of the things to all of the people all of the time. Seriously, I'm for the entire city, all of Irving, not just West Irving. I have no hangups about black or white, rich or poor. I serve all. All elected me."

Race is a moot point in Jackie's store. Whites and blacks trade tidbits of gossip between bites and swallows. A white council member walks in, waves to Jackie and takes a chair. An old black peddler, wearing a red cap and poking the floor with an oak cane, sits down beside him. "How ya been?" the men say.

"The Sixties opened a lot of eyes," Jackie says "On both sides, black and white. Blacks were as prejudiced as whites. But people's minds have mellowed. Who you are is more important than what color you are.

"Martin Luther King was a hero of mine, and my other heroes were Mother and a white woman I used to work for. Both taught me to cook, and Martin Luther King is responsible for improving race relations, almost totally responsible. Martin Luther King taught me and a lot of other people how to love."

Politics and food have a way of infecting Jackie in the way that she infects others. Delightfully, with an innocence that seems to promise everyone no harm. "You've got to love politics," she says. "I certainly didn't get into it for the money (for council members, $100 a month). Prestige may be involved, but it's more the prestige of the people that I care about.

"I've always been a Democrat, though. I've always read the paper. I've always been obsessed with politics. Little sister (Jackie is the eldest of three daughters) always read the funnies." She laughs, turns serious, shifting again her train of thought.

"You know what we need to do? We here in Irving? We need to stop building and start *repairing*. We're building too many new, unnecessary roads. We need to repair, then build."

Roads are among Jackie's earliest memories. Her Bear Creek ties run deep, beyond her West Dallas birthplace, from which she moved at the age of eleven to a hollow hamlet "where the roads were dirt and stumps were all over. We'd slosh home in the mud, couldn't drive to save ourselves and had to hike to school. I met Jimmy about then—we were just kids." She laughs. "He was seventeen, I was fifteen." Laughs again. "I knew I couldn't help fallin' in love.

"You know, Jimmy's boyhood dream was to build a store. He was raised close to Terrell. His parents were sharecroppers, and he used to walk to a store that a white man owned. That man was a hero of Jimmy's. He used to give him candy and stuff. Jimmy always wanted a store just like his. He talked about it the whole time we were courtin'.

"When we got it . . ." She's laughing now. ". . . it wasn't anything like he thought it would be. He didn't last long. So who's kept the store? Me, that's who."

But nowadays, Jimmy works a full day at Dresser Industries, then comes home to mind the store while Jackie attends meetings, civic functions or political rallies. "He's a good man," she says. "You oughta see him play jacks with the kids in here, always sayin', 'Mistuh Jimmy, would you play us some jacks?' Whoooooee! He'd kill me if he knew I'd told that!"

Playing jacks, checkers, tuning in jazz, rock, even country blues—these are the lighter aspects of Jackie Townsell's lighter side. "I enjoy being alone at night, coming back from a meeting or a talk. I can think then.

"And, no, I don't enjoy campaigning. I hate it. Beatin' on doors, runnin' here, runnin' there—it'll wear you out. Some of my friends said, 'Jackie, you're crazy! We wouldn't do that for nothin'!'

"I never, as a big girl or a little girl, thought I could be a politician. I didn't even know what a politician was. I always wanted to be a secretary. Takin' messages, typin'—that's still a dream of mine.

"Am I serious? Of course. And I will never, ever run for higher office. By the time this is over, I'll be old and gray . . ."

And Jackie Townsell laughs again, at herself, with you, a warm sound that sticks to the ribs of your mind through the after-lunch afternoon.

LOCAL GOVERNMENT RIGHTS MUST BE PRESERVED

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. LENT. Mr. Speaker, as the Congress is in one of its budget-conscious periods this week, I believe it is appropriate to discuss what I view to be a misapplication of Federal funds which has gone virtually unnoticed outside of

the New York Metropolitan area. In specific, I refer to a proposal put forward by the Tri-State Regional Planning Commission staff which recommends that an additional 40,000 units of low income housing be constructed in Nassau County, N.Y., between 1980 and 2000.

The Tri-State Commission, pursuant to the Intergovernmental Cooperation Act of 1968, is delegated the authority to act as a regional clearinghouse for review of application for Federal aid made by the local governments of New York, New Jersey, and Connecticut. Under the 1968 act, Congress required that "every effort should be made to take into account the viewpoints and objectives of State, local, and regional planning." The very legislation which established the Tri-State Commission states:

It is not the intent of this Act nor shall it be construed to restrict or diminish any powers heretofore or hereafter conferred by law upon any political subdivision of the State or any governmental agency, state or local, included, without limitation, powers related to planning and zoning.

What the Tri-State Commission has done, in violation of its mandate, is propose that the power to zone be taken away from local governments in Nassau County so that a grandiose scheme of "fair share housing" which would provide for the construction of a predetermined number of low income dwellings each year for the next generation, could be put into operation.

What is especially disheartening about this entire affair is that the Tri-State Commission's recommendation was made without the input of the citizens who would be affected by it. The Tri-State Commission is composed of 15 members, five from each of the three member States. Of these 15, only two are elected officials—neither from New York. In fact, there are no suburban New York representatives on the commission, and New York's Governor recently vetoed a bill which would have provided for such representation. A recent editorial in Newsday stated:

Tristate is supposed to conduct regional planning and coordinate federal aid applications for the metropolitan segments of New York, New Jersey and Connecticut. In fact, its bulky bureaucracy has no plan, is unrepresentative of the widely varied jurisdictions involved and has stood by while some suburban communities were short-changed on Federal funds.

Mr. Speaker, sometime in this Congress we will be considering amendments to the Intergovernmental Cooperation Act, and it appears that the trend is toward the establishment of organizations similar to the Tri-State Regional Planning Commission. While I recognize the importance of planning on an areawide basis, it is my sincere hope that we will not forget about the traditional rights and responsibilities of local governments and the taxpayers who must foot the bill. I hope the new legislation will require that the views of local governments be given fair and balanced treatment, so that areawide planning organizations cannot twist the regulations to suit their own needs, and to implement "social engineering" schemes in someone else's neighborhood.

MINIMUM WAGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, the debate on legislation to increase the minimum wage has been pervaded by the false belief that an increase in the minimum wage will mitigate poverty. In the following letter from the August 8 issue of the Wall Street Journal, Carolyn Shaw Bell points out that poverty relates to a family's income—not a particular individual's wages. Given the propensity toward multiworker families in today's society, an increase in the minimum wage will not go hand in hand with an increase in a family's income, thus bringing them out of poverty. To the contrary, multiworker families could be disadvantaged by any significant increase in the minimum wage. If employers react to a minimum wage increase by eliminating some marginal jobs, a family where both parents and one older child were employed might have less income due to the unemployment of the wife or child.

What is important to remember is that although economics and statistics can be used coldly to predict what might happen, ceteris parbus; as decisionmakers, we must attempt to predict the side effects of any legislative cures we propose. Ms. Bell's letter urges us to see the human side of the minimum wage issue, and cautions against the argument that an increase in the minimum wage will decrease poverty.

The letter follows:

POVERTY VERSUS MINIMUM WAGE

News items about the minimum wage have repeatedly quoted a figure of $2.93 or "about $2.95" per hour as the "federally established" poverty line. In fact, no such poverty figure on a per hour basis exists. By including the valid statement that three million workers earn the minimum wage or that six million earn less than $2.65 hourly such reports give a totally erroneous picture of widespread poverty among workers at the minimum wage.

Poverty concerns income, not wages, and poverty varies according to the number of people living on a given income.

The $2.95 per hour quoted comes from dividing the annual poverty-level income for a four-person family by 2,000 hours—the normal work-year. But there are less than four million four-person families in the country supported by one worker, and there is no evidence that they are all in poverty. Of the families of all sizes supported by one worker, two million fell below the poverty level in 1975, but there is no evidence that raising the minimum wage would help them all. To equate an hourly wage that applies to all workers, who may be single or living in a family with other workers, with the minimum income for four-person families is just plain wrong. The battle to raise the minimum wage should not be fought on the grounds of poverty.

CAROLYN SHAW BELL.

In addition, Mr. Speaker, the August 29 edition of Time magazine contains an enlightening article on the plight of the American underclass. These untrained and undertrained individuals face innumerable bars to employment, one of which is an unnecessarily high minimum wage. The most important step in improving the situation of the poor is for them to secure employment; it is an erroneous assumption for us to believe that we can legislate the poor—many of whom are unemployed—out of poverty by increasing the minimum wage. As the Time article suggests, one way to increase the employment of teenagers would be to subsidize a portion of each youth's wages, thus promoting hiring of the young. In the absence of a youth wage subsidy, we should enact a minimum wage differential for teenagers, to encourage employers to invest in the training of young people. A portion of the article of particular interest follows:

There is also a great need to tear down, or at least lower, the many barriers to employment that confront the unskilled, the unlettered and the immobile. One obvious bar is the overly strict and exclusionary union apprenticeship rules. They should be relaxed—despite the howls certain to come from trade unionists.

A still more controversial barrier to employment is the minimum-wage law. Now $2.30 an hour, the minimum will probably be raised by Congress to $2.65 next year and around $3.15 by 1980. Of course, the talents of many members of the underclass—particularly the unskilled young—are not worth that much off the street. Employers would rather hire someone who shows more evident promise of further promotion—or not hire at all. The minimum wage, says Sociologist Riesman, is the product of "an alliance of the better situated labor unions with the liberals against the deprived and the elderly, whom people would otherwise employ for household or for city work that now doesn't get done." Adds Stanford University Labor Economist Thomas Sowell, a black: "Talk about people being unemployable is just so much rubbish. Everybody is unemployable at one wage rate, and everybody is employable at another." Perhaps not quite everybody. In a free economy, there will always be some small fraction of people who lack the skills or discipline to work. But there is a lot of work that needs doing—cleaning up parks, repairing abandoned buildings, taking part in the burgeoning service trades—at reasonable wages.

Congress has been considering a proposal to reduce the minimum wage for all teenagers to 75% of the adult minimum, but that might just inspire employers to hire well-schooled middle-class youth at the expense of older workers. A better compromise, suggested by Harvard Economist Martin Feldstein, would be for the Government to subsidize minimum-wage payments to the youthful unemployed. Directed specifically to the underclass, the program would allow businessmen to pay a fraction of the cost for jobs that they might otherwise refuse to fill. Another wise Government investment would be to shift some federal funds to more and better mass transit, which, beyond all its benefits to the environment, would give the underclass access to all the new job opportunities in the suburbs.

THE REAL CANAL "GIVEAWAY"

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. OTTINGER. Mr. Speaker, few national issues have been so clouded in rhetoric and emotion as the recent Panama Canal Treaty. Perhaps, the

clouds can be cleared for a moment for people of all persuasions to see some of the real questions which this treaty poses.

On Tuesday, September 6, 1977, Tom Wicker's article in the New York Times described the challenge which the real canal "giveaway"—giving away our relations with all the Latin American nations for the future—poses to our Nation. I submit for the RECORD the text of the article by Mr. Wicker:

THE REAL CANAL "GIVEAWAY"

It's now evident, if anyone ever doubted it, that deep and emotional hostility to the "giveaway" of the Panama Canal presents the Carter Administration and the Senate with a powerful challenge. Perhaps even more so than in the case of the Vietnam War, the test is whether the American people, governed as they are, can adapt themselves sensibly to a changing international order.

The Panama issue is not beclouded by the patriotic need to "support our boys" in combat or the presumed necessity to "stop Communist aggression." Rather, in this instance, the nation is being asked to do what Britain, France, Belgium, Portugal, the Netherlands have already done with varying degrees of reluctance—given up colonial outposts no longer vital to their economic or security needs, whose people are no longer willing to accept outside domination, and whose continued subjection to it would inevitably lead to political disaster, possibly to lingering and unwinnable guerrilla war.

So there's only one real question about the Panama Canal treaties evolved by negotiators for the Ford and Carter Administrations, and scheduled to be signed by Panama and the United States in Washington on Sept. 7. Can the United States yield a major colonial holding by an orderly political process and after negotiations pursued over 14 years and through four administrations of both major parties?

The answer is not clear because of the American treaty ratification process. Two-thirds of the Senate must vote to approve the canal treaties; senators are elected by the people; popular opposition to the treaties is widespread; hence senators who know better may be forced by their constituencies to vote against treaties that in other governing systems would be more nearly subjects of executive decision.

The arguments Mr. Carter and his lieutenants can make for the treaty are ample and persuasive—if heard with an open mind. The canal is no longer vital to American commerce, either for coast-to-coast traffic or international trade; it is now of small military importance; most major naval vessels of today and the big oil supertankers are too wide to use the canal; and in any case, the treaties amply provide for the neutrality, openness and military protection of the waterway.

Panama, moreover, passionately and understandably aspires to control of its own territory and to a greater share of the economic benefits the canal still yields. Latin-American nations without exception, even those with right-wing governments, support Panama's demands. Nothing could be more advantageous to the United States among these nations, or in the third world generally, than a peaceable transition in Panama—and nothing would be more disastrous than American refusal now to ratify treaties so long and difficult in the making.

Against this compelling case, Senator Strom Thurmond states the absurdity that a canal across the middle of Panama is "a United States canal adjacent to Panamanian territory." Ronald Reagan inaccurately states that most Latin-Amerlcan nations have "depended upon the knowledge that the canal will be run impartially and efficiently by the United States"—which not only ignores the support of these nations for Panama but none too subtly implies that Panamanians could not run the canal "impartially and efficiently."

Actually, most treaty opposition seems based on factual contentions less than on a vague but visceral feeling that the United States has let itself be "pushed around too much," that the canal symbolizes American power and that somehow the power itself, rather than the symbol, is about to be relinquished.

It is to this understandable if uninformed sentiment that treaty opponents appeal when they speak of a "giveaway." That was the word employed by John S. Buckley, aged 24, the new national chairman of Young Americans for Freedom; and that was the word also used by former Treasury Secretary William Simon, who—unlike Mr. Buckley—is old enough to know better, particularly since the treaties are supported by his former colleagues, Gerald Ford and Henry Kissinger.

Mr. Simon did not specifically oppose the treaties and, upon studying them, he no doubt will come to see that they do not "give away" anything either worth having or securely held. If anything, to reject the treaties now would be the real "giveaway"—of the possibility of a peaceful and equitable solution to the nation's oldest and most difficult problem of hemisphere relations, and of the distinct political and diplomatic gains likely to be made from the new situation.

What would approving the treaties say to our allies around the world, Mr. Reagan has asked, "about our leadership intentions, our international role . . . our national defense capability?" It would say that the United States, if not all its political leaders, has grown up in its world view and in the uses of its power.

VA OUTPATIENT CLINIC FOR BROWARD COUNTY

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 8, 1977

Mr. BURKE of Florida. Mr. Speaker, I rise today to advise my colleagues of the introduction of a bill to provide for the establishment of a Veterans' Administration outpatient clinic in Broward County, Fla.

In 1967 when I was sworn in as the Congressman for Broward County, Fla. I started working for improved veterans services for my constitutents. I have sought in each of my five terms in the House of Representatives to establish a veterans hospital in my county.

Despite the obvious need for such a facility, the Veterans' Administration has repeatedly refused to establish any kind of medical facility in the county. Although I can recognize and appreciate the need for evaluation procedures and study methods by the VA, I also recognize these methods are too slow to cope with the fantastic growth in Broward County. When I moved to Broward County in 1949, there were 50,000 people living in Broward County. Today there are 1 million people living in the same geographic area; 116,000 by current estimates, are veterans. 116,000 is a large population. In fact, it approaches the population of cities such as Riverside, Calif., Lubbock Tex., Lexington, Ky., and Worcester, Mass. To deny a population of 116,000 veterans a medical facility within easy access is contrary to the intent and purpose of the Veterans' Administration. But that is essentially what is happening. The nearest VA hospital is in Miami which is 24 miles from the Broward County seat of Fort Lauderdale. The distance to the nearest VA outpatient clinic in West Palm Beach is 40 miles. Public transportation to these facilities is inadequate where it exists at all and it does not exist in many places because local governments have not been able to keep up with the tremendous growth in population. Therefore, Broward County's 116,000 veteran population are faced with at least a 30-mile trek to a VA facility. The Miami Veterans Hospital is completely bogged down with work because Dade County is also growing rapidly and veterans are also moving into that area as well as into Broward. The result is that Broward veterans must wait hours to see a doctor. Because of waiting cases the doctor may be able to give only a perfunctory examination which may not be what the veterans deserve. The outpatient clinic set-up at West Palm Beach, which opened on July 12, 1976, is more remote and inaccessible to Broward County veterans, and services are far more limited.

Mr. Speaker, as days go by the need for a VA outpatient clinic becomes more pressing in Broward County. It is estimated that between 800 and 1,000 veterans move into Broward County each month. The facilities available to them in Miami and West Palm are already insufficient. Despite this, the Veterans' Administration advises that it has no plans at this time for the establishment of an additional medical facility in Broward County. I hope that my colleagues will agree with me that these 116,000 veterans living in Broward County deserve better treatment by the VA and I hope you will join with me in supporting my bill for establishment of such a facility.

U.S. UNICEF IS A TRICK, NOT A TREAT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, with Halloween and Christmas drawing near, UNICEF supporters in the United States will again be attempting to use our children to collect money and persuade Americans to send out their atheistic Christmas cards. Appropriate posters will be displayed showing UNICEF feeding milk to hungry children. But where does your contribution go? Three out of every four dollars goes to overhead, Forbes magazine recently learned. The item from Forbes dated September 1, 1977, follows:

U.S.' UNICEF IS A TRICK, NOT A TREAT

When a Forbes reader recently received his regularly scheduled appeal for funds from

the United States Committee for UNICEF, he decided to check with the National Information Bureau (Forbes, Mar. 1, p. 16) and learned the following:

"An inserted correction to the U.S. Committee's 1975 annual report indicates that the $8,314,287 'allocated to UNICEF' by the Committee 'includes payment of the direct production costs of greeting cards and calendars incurred by UNICEF itself, estimated to be $1,521,000.' In a footnote to the annual report, the Committee states that reported expenses of its own activities, totaling $4,014,960, do not include these direct production costs."

"By the NIB's estimate, using the U.S. Committee's formulas, about 26 cents out of every dollar raised by card sales was available to UNICEF for its program activities."

In other words, relatively few of the pennies collected by Halloween Trick or Treaters and only 26 percent of the funds raised by Christmas card sales get to UNICEF for its purposes.

Trick or treat?

AIRBAG ALERT: NHTSA AIRBAG DEMONSTRATIONS PHONY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. SHUSTER. Mr. Speaker, the National Highway Traffic Safety Administration, NHTSA, is engaging in a deceptive campaign to win public support for the Federal order mandating airbags/passive restraints in all cars beginning in 1981.

NHTSA officials have been traveling around the country and showing Members of Congress an airbag demonstration using a specially designed simulator.

The demonstration is a phony!

The NHTSA zealots, in an attempt to win public support for the airbag, are deliberately misleading the public by using an airbag simulator that is substantially different from the airbag you would get in a car. The airbag in the demonstration vehicle inflates in 4 to 5 seconds, or about 20 times slower than it would inflate in a production vehicle.

Therefore, the noise level is also substantially lower and the startling effect less pronounced than in a real crash situation.

The airbag in the demonstrator is also repacked, which would not be possible after an airbag deployment. The fact is that the entire airbag system must be replaced at a cost 2½ to 3 times greater than the factory installation cost.

Repacking the airbag in the NHTSA airbag show, even though a disclaimer is announced before the inflation, could lead many people to conclude wrongfully that a deployed airbag can just be repacked and used again, instead of replaced.

Other distortions in the demonstration include:

The airbag simulator deflates much slower than an actual deflation, thus indicating erroneously that protection might be extended for secondary impacts.

Nitrogen tanks are used to inflate the airbag in the demonstration, despite the fact that both NHTSA and most airbag manufacturers have indicated that new-generation airbags will be detonated with sodium azide, which is a highly toxic and explosive chemical compound.

The NHTSA airbag show is a phony, from start to finish. Even though the demonstration is explained at the beginning, viewers could quickly forget what they heard because of the dramatic impact of the exploding airbag.

I seriously question the appropriateness of Federal officials, at taxpayers' expense, traveling around the country promoting a particular point of view. The Federal Government is supposed to be impartial and objective, and not take part in selling the American people on their products.

I urge everyone who sees this demonstration to keep in mind that what they see is not what they will get if they are forced to buy an airbag. Rather, they will get an unproven, costly, high technology device which may or may not work.

MAYOR MICHAEL A. BILANDIC OF CHICAGO

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUSSO. Mr. Speaker, recently I was pleased to have the opportunity to serve as honorary chairman of a dinner honoring our esteemed Chicago mayor, Michael A. Bilandic. Mayor Bilandic was chosen by the Jewish National Fund of Chicago as the recipient of their coveted Boneh Israel/Builder of Israel Award.

Today I would like to tell my colleagues a little about our new mayor and also share with them the remarks I made on the occasion of the dinner honoring him.

Mayor Bilandic has been a life-long resident of Chicago. He received his B.S. degree from St. Mary's College, Winona, Minn., and juris doctor degree from De Paul University College of Law.

During World War II he served as a first lieutenant in the Marine Corps in Pacific campaigns. Prior to his service in the Pacific, he was graduated from the Marine Corps V–5 program at the University of Notre Dame.

After becoming a member of the Illinois Bar, Mayor Bilandic engaged in the private practice of law. He has also served as a master in chancery of the circuit court of Cook County and is a former special assistant to the Illinois attorney general.

As a member of the city council, he had served as chairman of its committee on finance since 1975. He was also chairman of the council's committee on environmental control and vice chairman of the committee on committees and rules.

He is a member of the board of directors of the Central YMCA Community College and the Valentine Boys Club, and he serves on the Law Council of De Paul University College of Law.

He was elected mayor of Chicago on June 6 of this year after serving as alderman of Chicago's 11th ward for 8 years. At the time of his election he was the acting mayor chosen by unanimous vote of the Chicago City Council to fill the vacancy created by the death of the late Mayor Richard J. Daley.

Following are the remarks I made at the dinner for the mayor and I welcome the opportunity to place in the CONGRESSIONAL RECORD my own thoughts on this outstanding public servant:

REMARKS OF MR. RUSSO

It is with great pride and pleasure that I am here tonight in the capacity of Honorary Chairman of this dinner honoring our distinguished mayor, Michael A. Bilandic.

The Jewish National Fund of Chicago is an organization whose extremely worthwhile cause is to bring about social renewal and justice not only for the Jewish people but for all of humanity. This evening, the Honorable Michael Bilandic is the recipient of the Jewish National Fund's most prestigious award, the Boneh Israel/Builder of Israel Award. The members of the fund have done well by their organization in honoring our mayor tonight for he too is dedicated to that very same cause not only for the residents of Chicago but for all of humanity as well.

Mayor Bilandic is truly a unique individual who possesses the qualities of a superior leader. He retains both a keen awareness and sensitivity to the needs and desires of those whom he represents and is devoted to the prosperity of our great community. Chicago has long benefitted from his outstanding service and thus will continue to reap the benefits of his guidance now more so than ever since his election as our new mayor.

Being conferred upon him this evening is an award which establishes a forest in the Judean Hills of Jerusalem that will bear the name of Mayor Michael Bilandic forever. Please know too, your honor, that both our city and our hearts will also forever bear your name. I am confident that all of the members of the Jewish National Fund and the residents of Chicago join me in congratulating you for this great honor being bestowed upon you this evening and in wishing you continued success in all of your future endeavors. Thank You.

"FRIENDS" IN SOUTH KOREA?

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JACOBS. Mr. Speaker, it is regrettable that on yesterday the House chose not to send a clear message to the Government of South Korea with regard to its harboring of a fugitive from justice in the United States.

Two amendments to the budget resolution were offered on this subject.

The first, in effect, simply said to the South Korean Government, "Stop harboring the fugitive or we shall stop sending you bread."

I offered the second amendment which, in essence, said to the South Korean Government surrender the fugitive from American justice you are harboring or we shall not only stop sending you bread but also military equipment.

Question. Why would a dictator care whether we supply him with bread to give his people so long as we continue supplying him with guns to keep them

in line? Which amendment could really be expected to bring back the fugitive?

We hear a lot about our friends here and there in the world in argument for our tax money to help them. It seems that our "friends" in South Korea are the proverbial friends in need who are not all that friendly when it comes to a tiny gesture of reciprocity.

TAX DEDUCTION FOR REMOVAL OF DISEASED TREES, H.R. 8844

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FRASER. Mr. Speaker, I have introduced legislation to permit property owners to deduct tree removal costs from their Federal income taxes when such removal is required by Federal, State, or local law as part of a program to control the spread of tree diseases caused by pests.

Urban trees are an important feature of our living environment. They enhance our neighborhoods and increase property values. They also reduce erosion and air pollution. In cities they are especially desirable because of their general adaptability to varied environmental conditions.

However, a variety of tree pests have become rampant in our cities. These include infectious diseases of relatively minor incidence such as oak wilt, persimmon wilt, maple wilt, and sycamore canker. One of the most dramatic examples of major plant pests affecting large numbers of communities throughout the country is Dutch elm disease (DED).

We in the Midwest are all too familiar with the devastating effects of this tree disease. Since DED was brought from Europe in 1930, more than half of our American elms have been killed. The Northeastern States have lost more than 75 percent of their elms in urban areas. The disease has spread through 41 States.

Effective tree pest control programs require prompt removal of afflicted trees. Well over 30 States have statutes requiring owners to remove their infected trees at their own expense once they are considered a threat to adjacent property or to the environmental quality of the affected community or State. In 1975 the Minnesota State Legislature passed a law requiring property owners to remove their trees when evidence of the disease is found. Since early May the Minneapolis Park Board has identified more than 5,000 diseased elms which must be removed at an average cost of $300 per tree.

If these trees were damaged by hurricanes or fire, the owners would be allowed to deduct casualty losses for income tax purposes. Yet under current law, they may deduct neither the loss of a valuable tree nor the cost of the tree removal required by State law for disease control.

I believe my proposal to permit a deduction for the cost of removal, as required by Federal, State, or local law, is a reasonable way to subsidize the cost of compliance, which is the essential element of a tree pest control program. The deduction will not fully reimburse the cost of removal, but it will provide some assistance to property owners.

The following is a text of the bill:

[H.R. 8844, 95TH CONG., 1ST SESS.]

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the cost of removal of trees required by the United States or a State or local government to be removed to prevent the spread of diseases caused by pests

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222, and by inserting after section 220 the following new section:

"SEC. 221. REMOVAL OF TREES TO PREVENT THE SPREAD OF DISEASE CAUSED BY PESTS.

"(a) DEDUCTION ALLOWED.—In the case of an individual who is an owner of real property, there shall be allowed as a deduction all reasonable and necessary expenses paid in the taxable year by such individual for the removal and disposal of trees on such property required by the United States or a State or local government to be removed to prevent the spread of a disease caused by pests.

"(b) PEST DEFINED.—For purposes of this section the term 'pest' means any insect, nematode, protozoan, or other invertebrate animal, any virus, and any bacterium, fungus, or other member of the plant kingdom, which is capable of causing serious disease in, or serious injury or damage to, trees.".

(b) The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following items:

"Sec. 221. Removal of trees to prevent the spread of disease caused by pests.

"Sec. 222. Cross references.".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after the date of the enactment of this Act.

YOUNGSTOWN'S CHAMPIONS

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to commend the Youngstown Midget Athletic Boosters on their outstanding performance at the Little League World Series, held in Williamsport, Pa., from August 23 through August 27, 1977.

The roster of players is as follows: Danny Lewis, Vincent Miller, "Tony" Copeland, Jeff Stofko, Jimmy McCarthy, Mark Ross, Billy Hupp, Paul Harris, Chip Griffin, Terry Farris, Ray LeLuco, Mark Boyd, Gary Housteau and Ron Jones. I would also like to commend the team manager and coach, Mr. Tom Harris and Mr. Bobby Miller, for their fine work with these youths.

The Youngstown Midget Athletic Boosters won 19 straight games to qualify for the Little League World Series. The first team from Ohio to represent the central United States in Little League World Series play, the Boosters placed fourth in the United States and sixth in the world.

These fine youths have brought athletic distinction to themselves and to the 19th Ohio District through their impressive accomplishments in tournament play and championship competition. I congratulate them and wish them success in the coming season.

TRIBUTE TO SONNY JURGENSEN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FAUNTROY. Mr. Speaker and Members of the House of Representatives, I am proud to present the following statement on behalf of one of the most outstanding citizens of the National Capital area—Christian Adolph (Sonny) Jurgensen, former quarterback of the Washington Redskins football team.

The statement is as follows:

STATEMENT OF CONGRESSMAN WALTER E. FAUNTROY CONGRATULATING FORMER WASHINGTON, D.C. REDSKIN QUARTERBACK, SONNY JURGENSEN

I have been an avid Washington Redskin fan ever since, as a boy, I used to climb the tree behind the right field fence at old Griffith's Stadium to watch the likes of Sammy Baugh and Andy Farkus display their considerable skills on the football field. I never had the opportunity, however, to observe these Redskin heroes function as concerned community leaders.

But Sonny Jurgensen's support of young athletes in the Washington, D.C. area, coupled with his matchless skills as a player, have combined to make number 9 my number one hero.

The record books have recorded all of his outstanding achievements as a gridiron quarterback, but his greatest achievement will not appear in National Football League statistics. His greatest achievement will be recorded among the people of this community. That great achievement is his establishment of a scholarship fund for Washington area athletes attending Washington area universities and colleges. Such an effort will ultimately produce his most outstanding victory. I salute him for having the vision to see that, with the soaring cost of higher education, some of our most promising young people may find the application of their athletic prowess the only way they can pay for an education and thus prepare themselves for useful and productive lives in our society. I salute him for the vision to see that all of us cannot be Sonny Jurgensens; all of our athletes will not go off to the Duke Universities and the Notre Dames of the world. Most will never get into professional athletics. But how many Washington area youth, inspired by the example of Sonny Jurgensen and helped by this scholarship fund, will go on to appropriate the lessons of college athletic competition as college trained citizens whose skills are so desperately needed today and in the future for the continued growth and strength of our Capital City and our Nation.

I am pleased to join thousands and thousands of Washington Redskin fans to salute him and thank him for always giving us a superlative effort as a professional football player and as a community leader.

FEDERAL WATER POLICY

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, the reaction to the present administration's proposals to overhaul this Nation's water resource policy has been predictable. The comment from those who live east of the 100th meridian reflects the thinking of people who have always lived with an abundance of water. Those in the West, who have learned to live and work in an area that is scarce in that vital resource, have responded with a mixture of amazement that Federal officials could be seeking such a simplistic solution in such a short period of time; and determination that water laws and water rights in the West shall not be abridged or diminished. We have many articulate spokesmen and women for water resource development in Colorado and I want to offer a sampling of opinion on this crucial subject. The following material was excerpted from a statement to the Water Resources Council by Fort Collins, Colo., attorney Ward H. Fischer and reprinted in the Denver Post.

"COLORADANS ARE TERRORIZED" BY FEDERAL WATER POLICY REPORT

(By Ward H. Fischer)

How prone to doubt, how cautious are the wise.—Homer.

There is nothing more frightening than active ignorance.—Goethe.

These comments concerning the "Water Resource Policy Study" are submitted on behalf of the Cache la Poudre Water Users Association, the Thompson Water Users Association; and the Jackson County Water Conservancy District. . . .

In responding to the study, it is difficult to find language which is both accurate and temperate. Many of the assumptions are so erroneous and ill-conceived as to tempt one to a scathing denunciation of the quality of the effort.

On the other hand, I am certain that the drafters of this document (the Water Resource Policy Study) approached their task with good will and on the assumption that they were proposing alternatives truly beneficial to the citizens of the United States.

Even recognizing this, we must observe that good faith alone cannot excuse ineptitude. The history of civilization demonstrates that more harm has been done to the common good and general welfare by zealous and uninformed reformers than by the deliberate exercise of evil intent.

Nor do good intentions justify a statement such as "a final problem may arise from the fact that many rights are not evidenced by any record and many that are have not been adjudicated and specifically quantified. This circumstance leads to uncertainty. . . ."

It is supposed deficiency in state law which is alleged to create this problem, and the study proposes that the states be made to shape up.

This is hypocrisy personified. If those who prepared this paper had any knowledge of the subject, they would know that, by and large, water rights in the Western states are adjudicated or otherwise matters of record. The one entity which has refused to voluntarily adjudicate its rights is the U.S. government. It has resisted through the highest courts of this land the requirement that it submit its claims for adjudication. . . .

The basic premise of the policy study as a whole is that the United States does not have a basic water policy; and that it needs one because state policies are inept. . . .

Contrary to the study's assumption, there is a federal water policy. It is enunciated in the Homestead and Desert Land Acts, passed in the 1860s and 1870s. According to the U.S. Supreme Court:

"The effect (of these statutes) was to recognize, so far as the United States are concerned, the validity of the local customs, laws, and decisions of the courts in respect to the appropriation of water.

"What we hold is that following the Act of 1877, if not before, all non-navigable waters then a part of the public domain became *publici juris*, subject to the plenary control of the designated states. . . .

"(The Desert Land Act) simply recognized and gives sanction, insofar as the United States and its future grantees are concerned, to the state and local doctrine of appropriation, and seeks to remove what might otherwise be an impediment to its full and successful operation."

With the federal policy thus legislatively announced, the Western states did assume control of their water resources. As a result, these Western lands, thought inhospitable by the early pioneers, and designated in old journals as the Great American Desert, were developed.

Agriculture prospered, great cities grew, industry flourished, all of which ought to be apparent to any observer, including authors of studies if they journey west of the Mississippi River.

To know the history of this area, to see it now, and to conclude that the West is in dire need of a federal water policy in order to survive, surpasses credulity. . . .

To the extent that water projects are indeed those of the federal government, it is perfectly proper that that government debate and define their goals and objectives before authorizing them.

I would suggest that the determination of such goals and objectives is properly made by the Congress, rather than the bureaucracy; but with that qualification I believe that no person would object to the establishment of these goals and objectives on the federal level if done prior to authorization so as to avoid violation of vested contractual rights.

That does not mean that they will necessarily be good or even sensible goals, but only that they are indisputably federal ones.

One cannot, however, fail to be amused at the inconsistencies presented in the study, even on this issue. On the one hand, it is argued that present federal policy subsidizes agriculture; that subsidies are not fair or proper; and that subsidies of any nature should, therefore, be dispensed with.

On the next page, great concern is expressed that social and environmental objectives must be subsidized if they are to compete in the market system advocated on the preceding page. . . .

When we turn from federal projects per se, then the federal government should not attempt to dictate state water policy. . . .

In the Western States, including Colorado, water is a rare and precious resource.

We really do not need the federal government to advise us of that fact, or instruct us in its use. The great bulk of our irrigation projects in Colorado are not, as the report paper would like to assume, the result of federal action. On the contrary, they have been privately developed by those who use the water.

Water so developed is expensive. To suggest that the citizens of this state, or of the Western states, are so stupid that they will spend great sums of money, and engage in great labors in the development of water, for the purpose of wasting it, and without concern for its efficient and proper use, is an insult. To suggest that Washington-based officials must persuade Coloradans to make efficient and proper use of this resource is irritating.

I had hoped that with our experience in this country in the past 20 years, we had all learned that our social, political and economic structures are so complicated and inter-related that anything which is done in one area of endeavor has inevitable, but unknown, effects upon another area.

I had hoped that our national leaders had realized that the complexities of today's world do not admit of simple solutions.

The water resources policy study presents clear-cut "problems" which are erroneous in their assumption. Equally clear-cut and simplistic solution options are suggested, in the apparently confident expectation that they can and should be implemented by federal fiat.

Both the problems and the solutions will undoubtedly receive the enthusiastic applause of the uninitiated. In these times of drought, and of general concern over our water resources, I have observed that the easiest way for a public official to obtain newspaper headlines and acceptability among his peers, is to make a speech denouncing any state's water laws and procedures, and to advocate that if the water resources of the state, or the country, were only put under his direction, the prosperity of the nation would be greatly enhanced.

I have further observed that when these same officials are confronted with the very complex hydrological facts related to the Western streams, reservoirs, and underground water supplies, they quickly retire from the field, and develop instead an expertise in energy, the Middle East, or African relations.

Those who persist can in time become knowledgeable, and with that knowledge, they will conclude that the water laws and policies as administered by the individual Western states are phenomena of efficiency and flexibility, contributing immeasurably to the public good.

If the ill-advised options contained in this report had been prepared by knowledgeable state officials, the water users would have been deeply disturbed and concerned.

When it is prepared and presented by those who are obviously ignorant of the laws, customs, procedures, water rights, hydrology, and use of water in the Western states, we Coloradans are terrorized.

125TH ANNIVERSARY OF SAN FRANCISCO'S THIRD BAPTIST CHURCH

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. PHILLIP BURTON. Mr. Speaker, my brother and colleague, JOHN BURTON, joins with me in extending to the pastor and members of the congregation of Third Baptist Church in San Francisco our sincere congratulations on the occasion of the celebration of the 125th anniversary of the founding of the church.

Their distinguished pastor, the Reverend Amos C. Brown, follows in the illustrious footsteps of the Reverend F. D. Haynes and the late Reverend F. D. Haynes, Jr. He continues a tradition of community service for which Third Baptist Church has been most justly renowned.

When Third Baptist Church was setting down its roots in San Francisco, California had been admitted to the Union but 2 short years and the colorful era of the gold rush was still a fact of everyday life. For 125 years, Third Baptist Church has served the needs of its congregation and has been a force for social advancement in our city.

Tonight, the Reverend Ralph Abernathy and Ambassador Andrew Young will be in San Francisco to join in a very special commemoration of this anniversary.

Congressman JOHN BURTON and I want to call this 125 years of service by Third Baptist Church to the attention of our colleagues, who I am sure join with us in expressing congratulations.

A TRIBUTE TO C. MARSHALL DANN, COMMISSIONER OF PATENTS AND TRADEMARKS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BOB WILSON. Mr. Speaker, I wish to pay tribute today to Commissioner of Patents and Trademarks C. Marshall Dann, who returned to private life at the end of August.

Commissioner Dann has served with great distinction as the head of the Patent and Trademark Office in the Department of Commerce for the past 3½ years. He is the 42d Commissioner and by all accounts has been one of the most successful ones. He has worked hard to strengthen the contributions patents and trademarks make to the American economy.

He has instituted new procedures to improve the quality and reliability of issued patents. Under his administration the Office has made progress in international cooperation on patents and trademarks. He helped the Office set records for the highest numbers of patent and trademark applications examined.

Commissioner Dann is a friend of inventors. He has met with many groups of independent and small business inventors throughout the country. I was proud to attend a National Inventors Day ceremony in 1976 at which the Commissioner recognized five Members of Congress including myself who have been awarded patents on their inventions.

The Commissioner has received many honors during his outstanding career including the Robert H. Goddard Award from Worcester Polytechnic Institute in 1975 and the Jefferson Medal from the New Jersey Patent Law Association in 1976. With the support and cooperation of the Patent and Trademark Office employees he has helped make that Office one of the more effective bureaus in Washington.

I ask the House of Representatives to join me in wishing C. Marshall Dann continued success and good health in his future endeavors.

AMERICAN COMMITTEE ON AFRICA: TRANSNATIONAL SUPPORT FOR TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, the American Committee on Africa (ACOA) has for more than two decades served as the principal U.S. support group for Marxist terrorist movements on the African continent. The beneficiaries of ACOA money and organizational expertise have ranged from the Algerian National Liberation Front through the MPLA and FRELIMO organizations which now control Angola and Mozambique to the so-called Patriotic Front in Rhodesia whose principal victims have been black Rhodesian civilians.

The American Committee on Africa provided my office with an 11-page booklet, "Meeting Africa's Challenge: The Story of the American Committee on Africa," written by George M. Houser, executive director of ACOA since its creation.

Available from ACOA, 305 E. 46th Street, New York, N.Y. 10017 [212/838–5030], the ACOA booklet details how impetus for formation of ACOA and its predecessor came from the African National Congress (ANC), an organization controlled by the South African Communist Party (SACP) which under SACP leadership a few years later commenced an active and continuing terrorist campaign against South African civilians.

According to ACOA's executive director and historian, impetus for the organization of ACOA came from the London meetings in 1951 of U.S. black activist Bill Sutherland with the editor of the ANC newspaper, African World, who told Sutherland about the planned "Defiance Campaign" in South Africa then being organized by the SACP through its racial fronts, the ANC and the South African Indian Congress.

At that time Houser was race relations secretary of the socialist-pacifist Fellowship of Reconciliation (FOR) and executive secretary of the Congress of Racial Equality (CORE) and had worked with Sutherland in the disarmament movement being coordinated by the Soviet-controlled World Peace Council (WPC). After his return to the United States, Sutherland approached Houser with the news of the planned ANC campaign. Then, as Houser has written:

> We wrote to Walter Sisulu, the secretary general of the African National Congress, and Y. A. Cachalia of the South African Indian Congress * * *. They responded eagerly, and in New York we decided to set up an ad hoc organization, which we called Americans for South African Resistance, in support of this campaign."

Almost simultaneously with the commencement of the SACP and ANC-led Defiance Campaign on June 26, 1952, Z. K. Matthews, head of ANC's Cape branch, arrived in New York as a visiting professor of world Christianity at Union Theological Seminary. The New York based ANC leader was kept constantly informed of progress being made at home. Houser continued:

> Armed with this information, Americans for South African Resistance (AFSAR) issued a series of bulletins. * * * Over the six months that the campaign proceeded (with over nine thousand arrests), AFSAR * * * raised several thousand dollars which, through Z. K. Matthews, was sent to the ANC.

Houser also admitted that AFSAR's purpose in preparing the bulletins based on ANC leader Matthews' information was not nonpartisan education but an effort to spread the word on what we in the United States could do to support the campaign.

Following the collapse of the defiance campaign early in 1953, AFSAR had to reassess its purpose. Its leaders felt it should broaden its role to support of the coming challenge to imperialism and colonialism.

It is noted that cofounder Sutherland, now 59 and active during the 1940's in the New York CORE chapter, moved to Africa in 1953 where he worked for the Ghanian Government. In association with the aging Pan-African theoretician, George Padmore, Sutherland aided in organizing the 1958 All African Peoples Conference in Accra which was attended by young Soviet-alined militants like Patrice Lumumba and Joshua Nkomo; Kenneth Kaunda, now President of Zambia; leaders of the ANC from South Africa and representatives of the FLN then in process of waging a successful terrorist protracted conflict against France in Algeria.

From 1963 to 1975, Sutherland was an employee of the Government of Tanzania's Ministry of Foreign Affairs, reported Bilalian News, the newspaper of the militant and violence-prone nation of Islam, and was involved in the organizing of the June 1974 Sixth Pan-African Congress in Dar-es-Salaam. According to the Baltimore Afro-American, the American Friends Service Committee (AFSC), a socialist-pacifist organization which has consistently supported terrorist armed struggle by the Soviet-supported Marxist national liberation movements like the Vietcong, Khmer Rough, Pathet Lao, and southern African organizations, hired Sutherland in December 1974 as its southern African representative. On his 1976 U.S. speaking tour for AFSC, Sutherland described his AFSC post as observer-consultant in Lusaka, where he moved. He said he left the United States in 1953 to become part of Africa's struggle and that he now considers Africa his home and has applied for citizenship. He did not specify what country's citizenship he was seeking.

During the month of August 1977, Sutherland led a 16-member delegation from the AFSC on a tour of the front-line states in Africa to "build relationships with the opponents of the status quo in Southern Africa, particularly the liberation movements."

George Houser himself traveled to Africa in 1954 to make direct contact with leaders of fledgling liberation movements. He returned to Africa in 1958 to

lead an ACOA observer delegation at the All African Peoples Conference where the Algerian FLN was also in attendance. As Houser has written, the ACOA soon became an active U.S. voice and support group for the liberation movements and their representatives in the United States. Many movements responded by seeking assistance in unexpected ways which he defined as including the smuggling of political communiques in hollowed-out books for ACOA to take to the United Nations on behalf of the liberation group.

Supporting terrorism—violent acts against the civilian segment of the population for the purpose of intimidation in order to attain a political or military goal—evidently has never disturbed the American Committee on Africa. According to Executive Secretary Houser, from 1955 to 1962 the ACOA priority was the FLN terrorists in Algeria.

ACOA worked closely with * * * the FLN representatives in New York and at the UN. Numerous public meetings were sponsored to call attention to the Algerian struggle and to condemn the support the US was giving France.

Houser is also pleased to recall that ACOA was the first to display the flag of FLN's Provisional Government at public meetings in New York.

ACOA's main role has been the provision of logistical support, money, and organizational skills so that the terrorist groups could maintain offices in the United States and at the United Nations, so that their statements and position papers could be distributed in the United States to key organizers and the press, and to arrange speaking tours and personal appearances so that the revolutionary leaders could present their cause directly to the American people.

In Houser's own words:

There is not a major liberation movement in southern Africa which has not received some support from ACOA. Much of this has been done through the Africa Defense and Aid Fund. Sometimes the assistance given is to cover the emergency needs of visitors to New York at the U.N., or to liberation movement leaders traveling in the U.S. It may help with travel expenses, accommodations, telephone bills, etc.

He continued:

In the case of some of the liberation movements, notably FRELIMO, ACOA has taken major responsibility for raising the funds to make it possible for the organization to have an office and a full-time representative here.

Houser reports that ACOA's logistical support work has included supplying jeeps, land rovers, Volkswagen buses for the use of liberation movements in Africa. The amount spent, he writes, has varied from 1 year to another but has usually been between $10,000 and $35,000. The Africa Defense and Aid Fund, a part of the committee, has been the principal conduit.

ACOA's aid to liberation movements has not included generous assistance to non-Communist or anti-Communist forces. And following the Sino-Soviet split in the mid-1960's, the ACOA firmly supported the Soviet-sponsored terrorist group over the Peking-backed one unless both were recognized by the Organization of African Unity. Even so, the majority of the support went to the Soviet-supported terrorists.

For example, the UNITA forces which are nationalist and which control a significant amount of territory in southern Angola was not recognized by the OAU and therefore not supported to any real extent by ACOA. The Communist Chinese supported FNLA organization led by Czech-trained Holden Roberto received some minimal assistance; but as Houser noted, "In the case of Angola, a lengthy discussion was held in 1970, and the decision was to recognize the primacy of the MPLA at that time."

ACOA has never had a policy of cutting off contact with a liberation movement said Houser, implying that it could well have unwritten, informal policies to the same end; but this has not implied willingness to assist all movements.

A major proportion of ACOA's work has been pressuring Congress on behalf of the terrorist movements. Houser describes ACOA's Capitol Hill activities in these terms:

Implementation of ACOA policy has frequently centered in Washington. The ACOA has consistently opposed U.S. policies supportive of white minority rule. ACOA representatives have appeared innumerable times before the appropriate Senate and House committees in Washington. Statements by the ACOA on legislative objectives have been varied: U.S. policy in the Congo, refugee questions, an end to the sugar quota to South Africa, stopping military aid to Portugal and South Africa, opposition to the Byrd Amendment (allowing strategic materials to come in from Rhodesia), an end to intervention in Angola. The committee has maintained a working relationship, first, with late Congressman Barrett O'Hara of Illinois and later with Charles Diggs of Michigan, who have been the two very active chairmen of the House Subcommittee on Africa.

Houser goes on to describe the operation of the Washington Office on Africa (WOA):

Not until 1967 did ACOA establish part-time representation on the Washington scene. A full-time office was opened in 1968, with Gary Gappert as the representative. He was succeeded by Charles Hightower. In 1972 the ACOA's Washington office was transformed into the independent, jointly-sponsored Washington Office on Africa, with Ted Lockwood and Chris Root as the executive staff. Funds for ACOA's office had come primarily through contributions of three or four church organizations. These churches (Methodist, Presbyterian, United Church of Christ, and Episcopalian) finally decided they would like to participate more actively on African issues in Washington. Thus the Washington Office on Africa became a jointly-sponsored effort between ACOA and church groups. The Washington Office has been increasingly effective in coordinating work on southern African issues in Congress. A major effort from 1972 to 1975 was devoted to stopping import of chrome and other minerals from Rhodesia. The campaign has gained strength, in spite of a lackadaisical attitude by the White House, but has not yet been won.

ACOA's testimony before committees of the House and Senate began in April 1962, with testimony prepared by ACOA's 1961–71 president, attorney Peter Weiss, in opposition to the independence of Katanga. It has continued with opposition to any U.S. aid to anti-Moscow movements in Angola after the introduction of Cuban troops. The ACOA "independent force which would not be line on the MPLA is that they are an dominated by any outside power, including the Soviet Union."

Although not principally a legal action organization, ACOA has supported U.S. litigation and defense efforts in southern Africa starting with the 1956–59 treason trials of SACP and ANC members in South Africa for which ACOA raised some $75,000 and sent Erwin Griswold, then dean of Harvard Law School, to South Africa as an observer—but not making public the ACOA sponsorship for obvious reasons.

ACOA lawyers and board members including Peter Weiss of the National Lawyers Guild (NLG) and Center for Constitutional Rights, Mrs. Goler Teal Butcher, former counsel to the Diggs Subcommittee on Africa and Africa policy strategist to the Carter Presidential campaign; as well as Douglas Wachholz of the Lawyers Committee for Civil Rights Under Law (LCCRUL), Leonard Meeker of the Naderite Center for Law and Social Policy, and exiled South African attorneys Joel Carlson and Michael Davis have been active in anti-South African legal cases in the last 2 years.

It is noted that another ACOA Executive Board member, Frederick A. O. Schwarz, Jr., took a leave of absence from ACOA to become chief counsel to Senator Church's Senate Select Committee on Intelligence. F. A. O. Schwarz, Jr., in 1969 was treasurer of the American Committee on Africa. Houser, who exchanged correspondence with the Soviet-supported Patrice Lumumba from 1958 until shortly before his assassination in 1960, has commented that "Senator Frank Church's committee investigating covert [U.S.] intelligence activities * * * revealed [that] in 1957 [3 years before a rival Congolese political faction killed him] that the CIA not only opposed Lumumba but actually laid plans for his murder." Houser prefers to leave the impression that the contingency plans which were not carried out caused the assassination of the Congolese leftist months later. Neither does he discuss any possible special interest in the Congo on the part of committee counsel Schwarz.

While the ACOA's political lobbying activities disqualify it from receiving tax exempt status—ACOA dropped its application in the early 1960's when IRS specified in a 7-page letter that there was no chance for approval—ACOA set up a closely associated tax-exempt organization, The Africa Fund, in 1966 through which "programs for refugee assistance, for aid to hospitals and schools in liberated areas of Guinea-Bissau, Angola and Mozambigue have been carried on."

Africa Fund grants in 1975 included $39,165 to the Mozambique Institute, P.O. Box 20773, Dar-es-Salaam, Tanzania, described as "the primary fund-raising and technical assistance agency which helps finance and assist the educational, medical, economic, and social services of the Mozambican people." All schools and medical facilities, including those established and formerly operated by the churches, have been nationalized by the Marxist-Leninist Government of Mozambique.

The Africa Fund's executive secretary and paid staff head is George Houser. Officers and trustees, who meet rarely and with scarcely a quorum, include chairman: Frank C. Montero, executive vice-president, Tishman Realty and Construction Co., New York, N.Y.; vice-chairman: Edler G. Hawkins, Princeton Theological Seminary; treasurer: Andrew E. Norman, president, Chelsea House Publish-

ers; Issac Bivens, assistant general secretary for Africa of the Board of Global Ministries of the United Methodist Church; Jacob Clayman, director of the AFL–CIO Industrial Union Department; John L. S. Holloman, president, Health and Hospital Corp. of the city of New York; Sophia Yarnall Jacobs, former chairperson of the New York Urban League; William B. Landis, a partner in the law firm of Mudge, Rose, Guthrie, and Alexander; Jan S. F. van Hoogstraten, director of material resources of the Church World Service of the National Council of the Churches of Christ; and Peter Weiss of the Center for Constitutional Rights and the law firm Weiss, David, Fross & Lehrman.

The Africa Fund describes itself as an "organization helping Africans work against the injustices of colonial and white minority domination." Its goals are "Providing financial help for clinics and hospitals in liberated areas; providing assistance for schools and training institutes; providing legal assistance for those who have challenged minority rule and apartheid; [and] engaging in nonpartisan study, research and analysis of basic questions related to Africa and making the results available to the public."

In light of the "nonpartisan study, research and analysis" provision, it is noted that in 1975 the Africa Fund began preparation of "a thorough study of South Africa's military capacity and new developments."

The most recent figures for Africa Fund income and expenses (1975) list contributions from direct mail solicitation of only $15,100; literature sales of $2,881; interest income of $1,482; and from "Foundations and Private Sources" of $122,385. Reportedly the largest benefactors of the Africa Fund for many years has been the Samuel Rubin Foundation established by Peter Weiss' father-in-law, former Faberge magnate Sam Rubin. Officers of the foundation include Cora Weiss, Sam Rubin's daughter; her husband Peter Weiss; Reed Rubin, her brother named after writer and American Communist John Reed who is buried in the Kremlin wall; and Sam Rubin.

The Samuel Rubin Foundation has formed the principal financial base of the Institute for Policy Studies, of which Peter Weiss is the leading trustee, and for its Transnational Institute. A number of IPS staff have served on the ACOA executive committee.

The Africa Fund's 1975 expenses were listed as including: Mozambique Institute—$39,165; Guinea-Bissau—$10,000; refugee aid—$3,480; student assistance—$5,437; research staff—$25,941; travel—$7,431; literature—$3,928; personnel—$14,548; overhead expenses paid ACOA—$16,917; printing, postage and inserting—$8,990; fund raising—$6,000; and miscellaneous expenses of $6,576.

The Africa Fund's 1975 total income was $141,858. With total expenses of $148,413, there was an excess of expenses of $6,555. Cash assets on December 31, 1975 totaled some $27,000. The Africa Fund's 1974 income was $62,738; but expenses were $102,494 which left a 1974 deficit of $39,756. In 1975 most of ACOA's expenses for research and literature distribution were taken over by the Africa Fund. ACOA's 1975 budget was just under $100,000 with that adjustment in "research" costs.

The American Committee on Africa's Executive Board as of January 1977, included (* indicates members of the Steering Committee):

*President: Hon. William H. Booth, Judge, Supreme Court of the State of New York, Brooklyn, NY.

*Vice-President: Elizabeth Landis, consultant to the Office of the United Nations Commissioner for Namibia, NY.

*Vice-President, David Robinson, Professor of African History, Yale University, CT.

*Treasurer, Jay Jacobson, attorney, Saxon Industries, New York, N.Y.

*Secretary, Dorothy Hibbert, Principal, Community School 146, Bronx, N.Y.

Elombe Brath, Consultant to the Graphic Arts Department, WABC–TV, New York and producer of its black public affairs show, "Like It Is."

Marshall Brown, Chairman, Department of Health Education, Essex College, Newark, NJ; active in sports and civil rights.

*Robert Browne, a founding ACOA member now director of the Black Economic Research Center, NY.

Goler Teal Butcher, former chief counsel to the House Subcommittee on Africa, and Carter Campaign adviser, is now Deputy Assistant AID Administrator for Africa.

Elsie Carrington, Director, Community Participation Education Program, New York, NY.

*George Daniels, Director, Interpretation Services, Board of Global Ministries of the United Methodist Church, NY.

Michael Davis, attorney with the Center for Constitutional Rights and the firm of Rogers, Hoge & Hill; Southern Africa Collective (SAC).

Moe Foner, Executive secretary, District 1199 of the National Union of Hospital and Health Care Employees, long a Communist Party, U.S.A.-dominated union.

Collins Gonze, Assistant Director, Department of International Affairs, United Auto Workers (UAW), Washington, DC.

Lawrence Henderson, Regional Secretary for Latin America and Africa, Board for World Ministries of the United Church of Christ, New York, NY.

*Janet Hooper, Former editor of Southern Africa magazine and continuing member of the Southern Africa Collective.

Leonard Jeffries, Chairman, Department of Black and Puerto Rican Studies, City College, City University of New York.

William Johnson, President, Episcopal Churchmen for South Africa, NY; member of Southern Africa Collective.

David Lampel, Director of the News Department of black-oriented radio station WLIB in New York.

*Tilden LeMelle, Chairman, Department of Black and Puerto Rican Studies, Hunter College, CUNY.

Edgar "Ted" Lockwood, Director of the Washington Office on Africa (WOA); member of the Southern Africa Collective.

Oseye Mchawi, Organizer, Committee to Aid African Independence, Brooklyn, NY.

Gail Morlan, former president of the Southern Africa Committee and member of the magazine collective.

*Andrew Norman, President, Chelsea House Publishers, NY.; the Norman Fund, Inc.

Frederick A. O. Schwarz, Jr., Chief Counsel, Senate Select Committee on Intelligence.

Adelaide Schulkind, retired director of the League for Mutual Aid, New York, NY.

Herbert Shore, Consultant to the Smithsonian Institute and to the U.S. Commission of UNESCO; author of a biography of the founder of the FRELIMO, Eduardo Mondlane; co-author with Houser of an ACOA/Africa Fund booklet on FRELIMO in 1975.

Timothy Smith, director of the Interfaith Center on Corporate Responsibility which coordinates economic attacks on southern Africa.

Robert VanLierop, self-described Marxist lawyer who has made films extolling the FRELIMO; organizer of the Committee for a Free Mozambique and the Africa Information Service.

The American Committee on Africa has had continuing associations with overt members of U.S. revolutionary groups ranging from the Communist Party, USA (CPUSA), through militant Trotskyite and New Left sects. In the late 1960's, CPUSA member Blyden Jackson was perhaps ACOA's most active office staff member. Jackson's duties included organizing street demonstrations from the ACOA office against South African visiting dignitaries.

The executive associate to George Houser on the ACOA staff is Paul Irish, formerly Tim Smith's assistant at the Interfaith Center for Corporate Responsibility. In June 1975, Paul Irish was the ACOA representative at the FRELIMO's independence ceremonies in Maputo. In discussions with FRELIMO officials, Irish reviewed ACOA's aid programs and where the new Marxist-Leninist regime wanted the funds to go. It is noted that at a conference in New York State earlier this year, FRELIMO representatives stated that all aid programs would have to be directed by the FRELIMO regime, not by any private or religious agency.

Paul Irish is a member of a militant Trotskyite group, the International Socialists (IS), and spoke as an IS representative on The Liberation of southern Africa along with Tapson Mawere, the principal U.S. representative of the Maoist terrorist ZANU organization, in Boston last fall. The British affiliate of IS, the Socialist Workers Party, has been involved in violent street riots over racial issues in recent weeks.

ACOA works closely with, and recommends highly, the Southern Africa Committee (SAC), Room 707, 156 5th Avenue, New York, N.Y. 10010, formed in 1967 as a power structure research group concentrating on Africa. The Southern Africa Committee can be considered a parallel group to the North American Congress on Latin America (NACLA) and the Pacific Studies Center in economic and political research designed to benefit anti-imperialist political and armed struggle movements. The SAC continues to publish Southern Africa, a major outlet for statements, literature and position papers from the Soviet-backed terrorist movements and new Marxist-Leninist governments now controlling the former Portuguese territories. A 3-month trial subscription costs $1.

The SAC's attorneys, Peter Weiss and Michael I. Davis of the ACOA and Center for Constitutional Rights demanded the FBI files on the Southern Africa Committee under the Freedom of Information Act. When the file was denied on grounds that the FBI had begun an investigation of the SAC at the request of the Justice Department to find out whether the SAC was in violation of the Foreign Agents Registration Act. The investigation had begun in March 1975: in November 1975 the SAC filed suit demanding the FBI, and the Justice Department, release all files relating to the SAC.

The investigation was ended in December 1976, and subsequently all files, reports the Center for Constitutional Rights, have been handed over. The Criminal Division of the Justice Department remains "interested in receiving any additional information which * * * may indicate that the subject organization has an obligation to register * * *."

The Southern Africa Committee has made a great deal of use of an exerpt of an FBI document which states that "investigation of the SAC since 1971 has failed to uncover any act of violence or terror on the part of the SAC in the United States."

The SAC does not find it useful to its purposes to mention that its members have had ties to the Cuban Government and that a considerable number have traveled to Cuba on various pretexts. The SAC also does not mention that Cuban military and political advisers have been working with the Soviet-backed terrorist movements in Portuguese Africa—Guinea-Bissau, Angola, and Mozambique—since the mid-1960's in line with Castro's Tricontinental of Third World subversion. The SAC did not mention that the Cubans have the

responsibility of coordinating New Left support activities for the new revolutionary governments in Angola, Guinea-Bissau, and Mozambique as evidenced by the Havana Solidarity Conference in which personnel of the Cuban U.N. Mission selected the U.S. delegates and organized the meetings.

SAC has made much less use of another recent FBI report:

[The Southern Africa Committee] takes a pro-terrorist position in such countries as the Republic of South Africa, Rhodesia and South West Africa. * * * Collective members have made occasional trips to Africa to meet with terrorist activists. Committee organizers are also related to such groups as the American Committee on Africa * * * whose members are also reported to be in contact with so-called liberation movement workers.

* * * The SAC is comprised of approximately 40 members in the New York area who agitate in favor of black terrorists in Africa. * * * The Committee has supported terrorism in Africa for over ten years and now has a strong relationship to Guinea-Bissau, a member of the U.N. * * *. Money could be coming from this state, as well as Cape Verde, Mozambique and perhaps other black countries * * * who seem to value their propaganda contributions to the terrorist cause. * * * The Committee is one of a network of groups which provide much support, both propaganda and material, to the subversive forces * * * in and of Africa.

Members of the Southern Africa Collective of the SAC in 1977 include Barbara Barnes; Carole Benglesdorf; Wes Cohen; Paddy Colligan of the Workers World Party (WWP); Jennifer Davis, a South African, the director of research for the ACOA, and frequent supplier of testimony to Congress; Michael Davis; Charlie Ebel; Mimi Edmunds; Nancy Gear; Lynn Goodwin; Peggy Halsey; Janet Hooper; Tami Hultman; Paul Irish; Allen Isaacman; Bill Johnston; Marci Kerr; Richard Knight, a member of the ACOA staff; Reed Kramer; Richard Leonard; Carolyn Fleuhr-Lobban, and Richard Lobban of Connecticut who write letters to and articles for the Daily World; Edgar Lockwood; Bill and Ruth Minter; Antonio Neves; Dipankar Ray; Susan Rogers; Christine Root; Karen Rothmeyer; Mike Shuster; Janet Siskind; Par Smith Louise Stack; Jinni and John Stroman; Stephanie Urdang; Roberta Washington; Jim Weikart and Leiza Zadel.

The activities of the American Committee on Africa and its related organizations demonstrate the existing loopholes in U.S. laws which enable tax-exempt funds to be channeled to terrorist groups, which permit groups which are de facto serving as foreign agents to evade the registration requirements which clearly need tightening, and in the Freedom of Information Act which enables organizations working with international terrorist groups to demand, and receive, the Federal investigatory files on them.

Clearly Congress needs an Internal Security Committee which would be able to investigate the extent of the problem, hold the necessary hearings, and develop new legislation to cope with this threat.

SEVERE BLOW DEALT TO IMPERIAL COUNTY IF RECLAMATION REGULATIONS STAND

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BURGENER. Mr. Speaker, I would like to point out to the Members of the House the severe consequences which could result in western agriculture if proposed regulations issued August 25 by the Bureau of Reclamation are allowed to take effect. These regulations relate to the so-called 160-acre limitation.

The regulations, which mandate heretofore overlooked enforcement of a turn-of-the-century law long since outmoded have thrown the Imperial Valley in my congressional district into the first stages of agricultural and business panic. The potential effects could be devastating not only for many family farmers and family businessmen, but also for the Nation's consumers, as Imperial County provides the fifth largest county agricultural production value in this country.

Enforcement of the 1902 Reclamation Act, from which the Imperial Valley has been exempt during virtually the entire period of its important agricultural development, amounts to ex post facto policy which would set agricultural production back years.

I have written Secretary of Agriculture Bergland, who I understand was not even consulted prior to the issue of these regulations, asking him to undertake an immediate economic impact study of the effects of these regulations on Imperial County agriculture, and I urge interested colleagues to do the same.

Further, I have called on Interior Secretary Andrus to hold extensive public hearings in the Imperial Valley and other affected areas in order to determine first-hand the effects of these proposed regulations. The civil servants who put these regulations together with apparently little consultation should not be afforded the luxury of remaining anonymous at the other end of a post office box which will undoubtedly be flooded with individual reaction to the effects of these regulations should they take effect. They should go out on the firing line and see first-hand the already negative impacts just the promise this Federal mistake is having.

I would like my colleagues, all of whom are truly interested in American agriculture and the American consumer, who will ultimately bear the burden of these ill-advised policies, to join me in doing all we can to bring some sensibility to any final regulations which are implemented. This is just another instance of unwarranted Government intrusion which is sure to have disastrous effects on the Imperial Valley and other important western agricultural areas—as well as the Nation as a whole.

THE FACE OF EVIL IN CASTRO CUBA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUDD. Mr. Speaker, overshadowed by the President's unpopular proposed new Panama Canal Treaty, which reports now indicate is opposed by anywhere up to three-quarters of all the American people, is his equally distressing initiative to reopen diplomatic relations with Castro Cuba.

I would like to recall some recent history, which can provide valuable instruction to all of us as we confront this foreign policy issue.

We liberated Cuba from the Spanish tyrant. Some cynical critics who are always able to find an ulterior motive in American actions have written that this was promoted by William Randolph Hearst, who wanted exciting copy to help sell his newspapers.

Nonetheless, Americans fought and died in Cuba. And when we dislodged the Spanish tyrant, we withdrew and provided continued assistance to a new independent nation we had created.

The United States extracted no commercial benefits. In fact, in trade and support we contributed more than we obtained. The Cuban Government was never as stable, successful, or benevolent as we had hoped it would be.

The Cuban people suffered under a succession of dictatorial Presidents who were elected, and dictators who came to power through coupe d'etat.

In March 1952, Fulgencio Batista, who had served an earlier term as President, seized power in Cuba through a coup d'etat. In 1954, he ran unopposed and was elected President.

Batista was anti-Communist and pro-American. Under his leadership, Cubans had the second highest per capita income of any Latin or South American country. But Batista was classified in the minds of American journalists and liberals as a rightwing dictator.

In any event, Batista promoted Havana as a tourist attraction. He strengthened the sugar industry. And he constructed needed public works.

On July 26, 1953, a young radical Communist, Fidel Castro, who had participated in the Bogota uprising in 1948, led an assault on the Moncada army post at Santiago.

Castro and about 150 followers held the mistaken belief that the soldiers would revolt and welcome them. They didn't. In that assault, a number of Cuban soldiers in the barracks infirmary were brutally murdered. But the Castro forces were driven off, and in October Castro and his brother were brought to trial. They were sentenced to 15 years in prison.

In May 1955, Batista declared a general amnesty for political prisoners. The Castro brothers fled to Mexico and immediately began enlisting an army to invade Cuba to wrest power from Batista.

In 1956, they made a landing with an

invasion force and were soundly defeated. Castro and his brother, Raul, managed to escape and fled to a hideaway in the mountains.

A year later, Herbert L. Matthews, a reporter from the New York Times, interviewed Castro in his mountain hideaway, and in three front-page articles pictured Castro as a peasant reformer—a white knight preparing to rescue the Cuban people from slavery.

Castro had money and weapons, provided by the Communists and by some disenchanted politicians.

In 1958, he seized power because the United States had adopted an anti-Batista policy, refused to sell arms to Cuba, discouraged other nations from selling arms, and publicly withdrew its support of the Batista regime.

There is no mistake in this. The U.S. State Department, headed by Christian Herter, William Wieland, and Roy Rubottom, were responsible for the success of Castro's coup.

Indeed, Senator John F. Kennedy described Castro in glowing terms, and compared him to Simon Bolivar.

The American press could see great virtue in a dictatorship of the left, and no menace in the Communist influence.

Despite the fact that Castro had been involved in the Bogota uprising, he was not publicly identified as a Communist. In fact, not until a year or so later, when Castro proclaimed his devotion to communism, were we told that Cuba was in the hands of the Communists.

We heard little of the public executions, the firing squads, El Paredon, the brutal treatment of political prisoners. But about 600,000 Cuban patriots who escaped that island nation longed to overthrow the Communist dictator Fidel Castro. And the U.S. Government, with the full backing of President Eisenhower, supported that effort.

Approximately 1,500 Cuban patriots were recruited and trained at secret bases in Guatemala by American Marine instructors. The United States provided arms and all other support, including a fleet of B–26 airplanes.

The military operation was planned to commence with an attack by 16 B–26's, to be launched against Castro's airfields and to catch the Communist aircraft on the ground. But when John F. Kennedy was elected President, Ike put the whole program on hold—believing that the new President should make the ultimate decision.

Kennedy approved the program. But a week or two before it was to be put into operation, Kennedy and his advisers changed the designated landing spot from a seaport serving the town of Trinidad, to Giron, a marshy area on the western coast.

Then Kennedy and his advisers decided that if 16 B–26's participated on the initial flight, it might appear to the world that the United States was supporting the effort. So they arbitrarily cut the flight from 16 to 8. Then Kennedy canceled the second-day assault, which was to have been made with 16 B–26's. On the third day, the landing party had no aerial cover at all.

Perhaps as a result of misinformation, or ineptitude, or blind prejudice, the State Department officials under the Eisenhower administration had permitted Castro to come to power. Now under Kennedy the United States betrayed the men we had enlisted to invade Cuba, and condemned them to capture, death, and imprisonment.

Immediately following that disastrous defeat, known in history as the Bay of Pigs, we participated in two deceptive hoked-up schemes to ransom the prisoners.

The first was tractors for Cuba—and that fell of dead weight. The second, masquerading as an American Red Cross operation, resulted in American industry contributing about $50 million to Castro in return for the release of about 1,000 remaining Cuban patriots.

In October 1962, President John F. Kennedy informed the Nation that Russia had installed offensive intercontinental ballistic missiles in Cuba. We went on military alert. Reserves were called up. And in brave words, Kennedy declared we would have onsite inspection and that Russia must remove the weapons.

As the press told the story, we had come to the brink of nuclear war. The press applauded when Kennedy backed down, accepted aerial reconnaissance for onsite inspections, guaranteed the continued existence of Castro's regime, and withdrew our missiles from Turkey and Italy.

Here is the truth of that situation. In 1954, President Eisenhower created a special committee to be concerned with the possibility of surprise attack against the United States by the Soviets.

This committee secretly developed the U–2 reconnaissance aircraft, and by 1956 we were flying over the Soviet Union on a regular basis. The U–2 was a remarkable defensive weapon. It had no landing gear to save weight. It had to be launched from a mother airplane. It could fly 4,000 miles at altitudes of 8 or 12 miles, and its cameras could photograph a swath of Russian territory 135 miles wide by 3,000 miles long.

The definition from those aerial photographs was so good that it was possible to read a newspaper headline photographed from 8 miles in the sky.

We knew from our aerial reconnaissance that Russia had very few ICBM's—no hardened bases. Despite Khrushchev's boast of missile superiority, we knew that our missiles, flying from hardened silos, outnumbered the Russians' 5 to 1.

When the U–2 was shot down in May 1960, Khrushchev abused Eisenhower, and we took it. But it wasn't the end of the spy program. Within 3 months, we had launched the SAMOS satellite to make the same photographs of Soviet military capabilities.

In 1962, President Kennedy knew beyond any question of a doubt that the Soviets had only a very few ICBM's, that they were exposed, that we could destroy them, and that they were really no threat to us.

And yet Kennedy backed down. And for all we know, there are still Soviet missiles in Cuban caves. Our just-deployed defensive weapons in Turkey and Italy, for which the taxpayers paid millions of dollars, were dismantled and brought home.

I review all these facts to stress that, even though we had the strength, our leaders lacked the will.

Cuba is the center of Communist intrigue in Latin and South America. From this secure base, Communist operators have fanned out into all of the Southern Hemisphere countries, and have met with success.

When we hear the issue of normalization of relations with Cuba debated on television and in the press and I hope it will be debated, we should keep in mind this brief history.

Castro needs the United States. Anything we do to strengthen his regime will strengthen the center of communism in the Western Hemisphere. And make no mistake about it, communism is our deadly enemy.

Mr. Speaker, great nations survive when their policies are based squarely on national self-interest. What would we possibly gain by normalizing relations with Castro's Cuba?

Those advocating this monstrous step will tell us that we would benefit from world opinion. They say that those nations envious of our power and strength would applaud such a benevolent gesture. But world opinion did not stop the forces of evil in World War II. It was American power that preserved freedom in this world. And world opinion won't bring peace to the Middle East or to sub-Saharan Africa or to Korea.

Normalizing relations with Cuba under Communist dictator Fidel Castro will only serve to strengthen the hand of his Communist regime, which has the longest standing worst record for violating human rights in this hemisphere.

We are not dealing with abstract concepts of human rights when we talk about Castro Cuba. We are talking about savage torture, personal degradation, and inhumane sentences for any Cuban who politically disagrees with or opposes Castro.

The sheer number of political prisoners in Cuba should be enough to give President Carter sincere second thoughts about his current initiatives.

Estimates vary widely, but 60,000 political prisoners is an accepted figure. Even Castro himself has admitted indirectly to 10,000—which is the equivalent of about a quarter million political prisoners in a country the size of our own.

Our Government should admit the face of evil in Castro Cuba, look at it squarely, and denounce it in every possible way. We should certainly not embrace this totalitarian Communist regime and give it added strength.

AWACS TO IRAN

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BOB WILSON. Mr. Speaker, with

regard to the current controversy surrounding the sale of seven airborne warning and control systems—AWACS—to the Government of Iran, I believe such a transfer would be in the best interests of both our countries.

Iran presently has no reliable air defense system to protect itself against attack. Because of the country's rough terrain, a ground radar system would cost billions of dollars, not to mention the construction of numerous radar sites necessary to bring Iran's defense even close to what the AWACS can provide. In this light, there is little doubt that the use of AWACS by Iran is the most cost-effective and militarily effective solution to their air defense needs—and there seems little doubt about our need for a strong, friendly Iran. As Assistant Secretary of State Alfred Atherton said late in July, "denial of the sale would raise serious doubts in Iranian minds about the seriousness of our concern for Iran's security and about the long-standing United States-Iranian relationship." I could not agree more.

I also believe that the alarm over the possibility of the compromise of the system's highly classified and sophisticated electronics equipment is out of proportion to the realities of the situation, even taking into consideration the fact that we could remove some of the more sensitive items prior to a sale.

Mr. Speaker, given the factors I have mentioned, together with the conditions under which the transfer of the AWACS would take place, I would hope that we would see that a transfer of the AWACS to Iran would be mutually beneficial and would remove any barriers from its consummation.

TAX AND LOAN ACCOUNT LEGISLATION

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HANNAFORD. Mr. Speaker, on April 25 the House of Representatives overwhelmingly passed H.R. 5675, a bill to authorize the Secretary of the Treasury to invest public moneys, and for other purposes. Basically, this bill permits Treasury to earn interest on its tax and loan account funds deposited in commercial banks and in other depositary institutions.

As a 1974 Treasury Department study revealed, the free use of Federal tax and loan account funds reduced potential earnings of the Federal Government and overcompensated financial institutions for services rendered in connection with these accounts. Specifically, the 1974 Treasury report claimed that commercial banks were able to generate earnings which exceeded the expenses of handling Federal T.T. & L. accounts by $170 million.

While Treasury has recently adopted stopgap measures to reduce the amount of T.T. & L. funds in commercial banks by transferring funds to Federal Reserve banks, these fluctuations complicate the Federal Reserve System's conduct of monetary policy, as evidenced in April.

Mr. Speaker, with the favorable reporting of H.R. 5675 from the Senate Banking Committee in July, I am anxious of the bill's passage by the full Senate and remind my colleagues that the enactment of this legislation will promote efficient cash management by the Federal Government, enabling the U.S. Treasury to earn $50–$100 million of additional revenues annually. Thus, the Government will be able to make effective use of tax dollars.

ALASKAN NATURAL GAS PIPELINE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HILLIS. Mr. Speaker, for a number of years, the Congress, the energy industry, and numerous Federal agencies have debated which of many possible systems would be best to deliver Alaskan natural gas to the contiguous States. During the 94th Congress, this debate heated as the Alaskan oil pipeline drew nearer to completion. The debate became a political issue within the Congress with the introduction of several bills authorizing the construction of various pipelines and methods of delivery. For a while, it appeared that regional interest would be the determining factor instead of the merits of the individual proposals.

Fortunately, Public Law 94–586, the Alaska Natural Gas Transportation Act of 1976, was enacted as an alternative to the authorization bills supporting the various proposals. This measure established a process whereby the selection of a transportation system and route would be based on the best interest of the entire United States. As a result of the process established by Public Law 94–586, President Carter recommended the construction of the Alcan Pipeline Co.'s proposal on September 8, 1977.

I commend the President for his decision. The Alcan proposal was the most reasonable option available to the President. The importance of the President's decision cannot be underestimated due to its economic and social impact on the Western and Midwestern States. There is no question that the President made the right choice in recommending the Alcan proposal over the El Paso proposal.

Under the provisions of Public Law 94–586, the Congress now has 60 working days to accept or reject the Alcan proposal. Although I am sure there will be some efforts made to reject the President's recommendations in hopes of gaining approval of the El Paso proposal, such a rejection could only have the most severe consequences to this Nation's energy needs. Can anyone forget the hardships of last winter caused by low supplies of natural gas? I can assure you, Mr. Speaker, that my constituents of central Indiana have not forgotten.

By all accounts, the Prudhoe Bay natural gas fields contain the largest known reserves in North America—at least 20 trillion cubic feet of proven productible reserves. While this gas is not a panacea to our gas shortages in the United States, it will substantially lessen the demand being placed on our dwindling natural gas supplies.

I truly hope that this issue can be resolved as soon as possible in order that preliminary efforts can be started to construct the pipeline. Construction of the 2,700-mile pipeline will cost nearly $7 billion. Any delay caused by the Congress will only result in increased construction cost. Therefore, I urge that the Congress accept the Alcan proposal without any unnecessary delays.

RABBI DR. ANDREW J. ROBBINS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements of Rabbi Dr. Andrew J. Robbins who has just retired as the spiritual leader of Temple Emanuel in New Hyde Park. He is to be honored this evening at a special service and reception at his temple.

Prior to entering the rabbinate, Rabbi Robbins had distinguished himself as an educator and historian. A graduate of the University of London, where he also obtained his Ph. D., Rabbi Robbins served as an instructor to the office of strategic services in London during World War II. Following his immigration to the United States he received a master of Hebrew letters degree from Hebrew Union College in 1953, and was ordained by that school.

For 27 years Rabbi Robbins has guided Temple Emanuel's congregation with both compassion and foresight. He initiated dialog services that brought the Rabbi and the congregation together for informal discussions concerning Judaism and the community at large. As a community leader Rabbi Robbins was instrumental in promoting interfaith activities, and he himself has lectured and preached in many churches.

Rabbi Robbins has also been actively involved with the Long Island Jewish community as cofounder of the Long Island Association of Reform Rabbis, of which he was the first president.

Although Rabbi Robbins will be sorely missed in his position as the leader of Temple Emanuel's congregation, he will continue to serve both it and the community as Rabbi Emeritus. Through his knowledge and guidance he will continue his everlasting contributions to Judaism.

It is my honor to pay tribute to such a distinguished constituent, and I hope that in retirement Rabbi Robbins will continue his life in the comfort and happiness that he provided for so many who looked to him for spiritual leadership.

OHIO'S FIFTH DISTRICT POLL

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. LATTA. Mr. Speaker, the results of my 1977 questionnaire indicate that the American people have broad understanding and strong opinions on a wide range of national and international issues. For the benefit of my colleagues in the House, as well as Members of the U.S. Senate and administration, I am submitting for the RECORD the text of my annual district poll, with the responses registered by thousands of my constituents, as follows:

QUESTIONNAIRE

[In percent]

1. Do you approve of the following Carter energy conservation recommendations:

(a) Stand-by gasoline taxing authority of 5 cents per gallon per year for the next ten years? Yes, 16; No, 84.

(b) Standby gasoline rationing authority? Yes, 40; No, 60.

(c) Graduated tax on new automobiles unable to meet certain federally established mileage standards and federal payments for purchasing small ones? Yes, 39; No, 61.

(d) Tax credits for insulating homes after a given date? Yes, 59; No. 41.

(e) A wellhead tax on American regulated crude oil which could ultimately add 7 cents per gallon to gasoline prices? Yes, 13; No, 87.

2. Do you believe government controls have hampered new exploration of oil and natural gas? Yes, 68; No, 32.

3. President Carter has recommended that the money necessary for maintaining the Social Security Trust Fund no longer come from employer-employee contributions exclusively but that a portion of its funds come from general tax revenues. Do you favor the proposal? Yes, 51; No, 49.

4. Should pending legislation to permit people to both "register for, and vote in, a federal election at an appropriate polling place" on the day of an election pass the Congress? Yes, 35; no, 65.

5. (a) Should we resume diplomatic relations with North Vietnam and Cuba? Yes, 41; no, 59.

(b) If diplomatic relations resume, should they be given foreign aid? Yes, 3; no, 97.

6. Do you favor turning the Panama Canal over to the Panamanians? Yes, 10; No, 90.

7. Do you believe that Big Labor wields too much power in the American political system? Yes, 88; no, 12.

8. Should federal employees be given the right to strike and to bargain collectively? Yes, 19; no, 81.

9. Do you favor efforts to unionize the Armed Forces? Yes, 4; no, 96.

10. If the United States unilaterally cut back its strategic military defenses, do you believe the Soviet Union would do the same? Yes, 8; no, 92.

11. Do you favor terminating the All-volunteer Army and reinstating the Draft? Yes, 42; no, 58.

12. Did you approve of the Presidential pardon extended Vietnam draft-dodgers? Yes, 25; no, 75.

(a) Do you approve of legislation to give them GI benefits? Yes, 5; no, 95.

(b) Do you favor the announced plan to upgrade their discharges? Yes, 11; no, 89.

13. Do you favor de-criminalizing the use of marijuana? Yes, 27; no, 73.

14. Do you believe the removal of U.S. troops from South Korea would be a signal for a Communist take-over? Yes, 72; no, 28.

MINIMUM WAGE HIKE CONCERNS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ABDNOR. Mr. Speaker, on July 26, I presented the following testimony before the House Rules Committee concerning proposals to raise and index the Federal minimum wage.

STATEMENT OF HON. JAMES ABDNOR RE H.R. 3744.

I would like to take this opportunity to express my strong opposition to H.R. 3744, the minimum wage bill. I strongly believe that any increase in the minimum wage would only serve to put more people out of work and fuel our high inflation. Those groups that would suffer the most from such a proposal are those that are already suffering from high unemployment, such as our young people, the handicapped, and our minority groups.

I am especially opposed to any kind of minimum wage indexing mechanism, which has been proposed in H.R. 3744. Such an indexing provision is a perfect example of built-in inflation and would be a serious blow to our Nation's economy. At a time when inflation is dangerously high, and threatening to go even higher, it is incredible that we are even considering such a proposal. If the minimum wage was tied to an index, it is very likely that we would never be able to get a handle on our inflation problem.

It is paradoxical that those groups which are arguing for a higher minimum wage are the first to complain when these proposals increase business costs and put more people out of work. And as a solution, Congress is expected to respond to this forced unemployment by providing public works job programs.

It has been clearly shown by a number of studies that increased inflation and higher unemployment can be directly attributed to minimum wage increases. It has to be remembered that such an increase would affect not only those individuals earning less than the new level but also those who are presently earning more. In order to maintain wage differentials, all wages will rise at all levels. Because of these wage relationships, a self-perpetuating indexing mechanism will guarantee annual inflation.

An indexing of the minimum wage will also guarantee annual unemployment. Whether the labor bosses in this country will admit it or not, our small businesses cannot afford to absorb a wage increase without either raising prices or reducing the number of employees. Usually a business is faced with doing both. To give you a good example of the effects of a minimum wage increase, let me quote from a letter that I recently received from a small businessman in South Dakota:

"We have been in the retail business since 1922 and have seen good years and bad years. In 1975, due to both inflation and the drought, we suffered a small loss, our first loss since the 1930's. And in 1976, our net profit was less than 1% of sales; so we do not have any leeway or 'fat' in our operation to absorb any wage increases and would have to raise our prices and hope that the customers would pay these increases and also reduce our number of employees and store hours. The history of previous minimum wage increases has proven this to be the case. In April 1974, we had 17 employees; today we have 13 employees and they are working shorter hours per week."

I would like to emphasize the fact that the above example is not an isolated case, but is representative of many of our businesses in South Dokota and the Midwest. One of our hospital directors has indicated that H.R. 3744 would increase the hospital's annual payroll by at least $300,000. In order to accommodate the increase, they would have to lay off 20 to 30 employees, and their patient care programs would ultimately suffer. I have received a great many similar responses from business, both small and large, in South Dokota, and virtually all of the input that I have received from my constituency has been in strong opposition to an increase in the minimum wage as proposed in H.R. 3744.

One popular justification of increases in the minimum wage is that the increase will be absorbed by wealthy owners or through a lower profit margin. Numerous studies of the impact of minimum wage legislation indicate that what actually occurs is that the workers bear a good part of the cost of increases in the minimum wage through manhour reductions and other types of adjustments, including price decreases for material suppliers, reduced quality of customer services and price increases for consumers. Also, there is evidence to indicate that the more workers affected by the increase, the more likely it is that they will suffer some direct hardship as a result of it. The more substantial the payroll costs of the increase in the minimum wage, the more adjustments are made in worker assignments and hours.

Perhaps the worst impact of the minimum wage affects the small businessman. It is a harsh reality that minimum wage rates do force some firms to close and others to shift to new industries. There are some who would argue that the decrease in the number of small firms in these industries is not really bad. They would argue that the firms were probably marginally productive and that their elimination makes the industry more efficient as a whole because larger plants can take advantage of economies of scale. This however, is not borne out by the evidence. Size is no guarantee of efficiency, and the undermining of small firms by the minimum wage may in fact be contributing to a decline in productivity rather than the opposite.

I would like to make special mention of the impact of a minimum wage increase on teenagers, the handicapped, and part-time workers. Businesses have historically trained young people by providing them job opportunities at pay levels usually commensurate with the minimum wage. If the minimum wage becomes too high, businesses would be much better off to hire full-time, experienced personnel. There are experienced individuals who would be ready and willing to work at a guaranteed high minimum wage, and employers would understandably be justified in turning to them over young, inexperienced workers. The unemployment rate for our youth in this country is disgracefully high, and it would be a crime to take away those opportunities, however limited, that are presently available. There is no logical reason that this bill shouldn't contain a youth differential so that our businessmen can truly provide employment opportunities for our young people.

Our businesses have also provided employment for our handicaped citizens by giving them opportunities to develop their job skills. Again, if the minimum wage becomes too high, these individuals will be priced out of the market and we cannot realistically expect our small businesses to pay unreasonably high wages to provide these train-

ing opportunities because they simply would not be able to afford it.

I am also very concerned about the reduction of the tip credit. Although I am pleased that we aren't looking at a proposal to eliminate this credit. I am nevertheless strongly opposed to the reductions that have been proposed in H R. 3744. These reductions would drastically increase labor costs for tipped employees and would needlessly force many such employees from their jobs.

In conclusion, I would like to again urge my colleagues to defeat H.R. 3744 and any other unreasonable minimum wage proposal that might come before us in the House. An increase in the minimum wage would put a severe strain on our struggling economy. It would fuel inflation and increase unemployment, and it would be a slap in the face to those disadvantaged groups which we have so often sought to help. The weight of evidence argues against an increase in the minimum wage, and it especially argues against an indexing scheme such as that proposed in H.R. 3744.

We have to look beyond the surface of this legislation and recognize the adverse consequences that would result from its passage.

Thank you very much.

A LEGEND IN HIS OWN TIME

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BURKE of Flordia. Mr. Speaker, yesterday was the 77th birthday of our friend and colleague, CLAUDE DENSON PEPPER. I cannot let the occasion go by without a few personal words about the inspiration of this man to all mankind.

Everyone who seeks public office or to lead people anywhere hopes that they will be able to do something to improve mankind and win a niche in the history books. CLAUDE PEPPER has won more than a niche in the annals of U.S. history—he could be a whole chapter by himself. Few Americans, if any, have ever served under as many Presidents as Senator PEPPER. He served under Presidents Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter and it looks like he may serve under two or three more. CLAUDE is a very unique person. It can truly be said that he is not getting older, he is getting better. Although what he has accomplished in his life would dwarf the achievements of almost anyone in the world, he still continues to explore and conquer new territory. In addition to being an overachiever, CLAUDE is also one of the most beloved Americans ever. As a Republican, I have frequently disagreed with him on issues. As a fellow Floridian, we have rarely seen eye to eye on policy matters but my affection for CLAUDE PEPPER comes from respect, admiration, and confidence that he has the best interests of our Nation at heart. Perhaps there is no other figure in our time who has exhibited consistently the dignity, grace, and charm that CLAUDE PEPPER has. He is everyone's friend, the mighty and the small, and we all love him. If he were to write a book about his life it would probably become an instant bestseller because he has had a front-row seat for all the major events in this century. The following is a news report which appeared in the New York Times today entitled "At 77, Florida's PEPPER, a New Deal Veteran, Is Still Going Like 38." I would like to share this with my colleagues so that those who do not know him well can better appreciate the stature of this remarkable and unique patriot. I hope it will inspire young people beginning in politics to suffer graciously the slings and arrows that are bound to come their way, to learn that others before them suffered the same way. I am sure that all senior citizens who know Mr. PEPPER are inspired by his living example of youthfulness and purpose. In short, I admire CLAUDE PEPPER—he is a fine example of the best qualities of man of of our Nation.

AT 77, FLORIDA'S PEPPER, A NEW DEAL VETERAN, IS STILL GOING LIKE '38

(By Marjorie Hunter)

WASHINGTON, Sept. 8.—Representative Claude Denson Pepper suspects that if he were cast in a role on a television show, he would be depicted as a doddering, toothless old man. Claude Pepper was anything but doddering and toothless today as he celebrated his 77th birthday by conducting a House committee hearing into age stereotyping on television.

The Florida Democrat, one of the last veterans of the New Deal still serving in Congress, arose at 7:30 A.M., arrived at his office at 9, rushed off to a meeting of Miami labor leaders and contractors and then, as the clock struck 10, walked briskly into a crowded hearing room where he gently chided television executives.

"Today," he announced, "I turned 77 years old and I must confess that I do not feel demonstrably different than I did at 60.

"Yet, I expect to weather an onslaught of well-intentioned persons who will tell me that I do not look my age. These comments raise the question: How, precisely, does one expect a 77-year-old to look?

"I suspect that a 77-year-old is expected to appear toothless and doddering, a caricature of his or her younger self."

His hair is grayer now, and there is just the suggestion of a stoop to his shoulders, but Claude Pepper at 77 looks little different than he did in 1938 when he appeared on a Time magazine cover as "the Florida fighting cock [who] will be a White House weather vane."

Those, perhaps, were his days of greatest glory. He had been elected to the Senate in 1936 and promptly allied himself with his hero, Franklin D. Roosevelt.

As one of President Roosevelt's staunchest supporters he helped pioneer Lend-Lease legislation. He cosponsored repeal of the poll tax. He promoted compulsory military service and was hanged in effigy on the Capitol lawn by outraged mothers.

By the late 1940's, it appeared that he would make the Senate his full-time career. In 1950, he was defeated by a one-time protégé, George H. Smathers, a man he had helped to win a House seat a few years earlier.

It was one of the most bitter campaigns in Florida history, with opponents labeling Claude Pepper as a "nigger lover," a "spellbinding pinko" and a man who was "soft on Communism."

It was in that campaign that Mr. Smathers, speaking to a largely uneducated gathering in northern Florida, said:

"Are you aware that Claude Pepper is known all over Washington as a shameless extrovert? Not only that, but this man is reliably reported to practice nepotism with his sister-in-law, and he has a sister who was once a thespian in wicked New York. Worst of all, it is an established fact that Mr. Pepper, before his marriage, practiced celibacy."

Eight years later, Mr. Pepper tried to make a Senate comeback, but lost to Spessard L. Holland. Finally, in 1962, he won a seat in the House.

The "Senator", as many colleagues still call him, sets almost as fast a pace for himself today as he did nearly 40 years ago. He seldom misses a floor vote in the House. He is a member of the House Rules Committee, which decides which bills reach the floor, and he is a chairman of the Select Committee on Aging.

He usually works 12 hours a day, he still plays golf on weekends and he and his wife have an active social life.

Young staff members sometimes find themselves panting to keep up with him.

"I go like a house afire, I guess," he says. "I don't know why they don't quit."

Convinced that older Americans are being wrongly depicted on television, in books, in movies, in newspapers, Representative Pepper is determined to focus attention on what he views as age stereotyping.

LABOR LAW REFORM ACT

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. RUSSO. Mr. Speaker, the Chicago Tribune is not known for its automatic endorsement of legislation supported by America's trade unions. With this in mind, I believe my colleagues may find interesting this recent Tribune editorial, which deals with H.R. 8410, the Labor Law Reform Act of 1977.

IN FAIRNESS TO LABOR

As powerful as organized labor has become, it still has some problems when, in striving for collective bargaining, it bumps heads with employers. The National Labor Relations Board, for example, has no time limit to force an election; this enables some employers to stall for up to a year with legal challenges to the validity of employe authorization cards.

The White House is expected to support compromise legislation to be introduced by Sen. Harrison Williams and Rep. Frank Thompson, both pro-labor Democrats from New Jersey. One provision would require such union-representation elections in small, uncontested cases within 15 days. For large, contested cases, the NLRB would have to act within 75 days. That would seem to give either side reasonable time to exercise its rights adequately. But because legitimate disputes in this area are complex a limit of anything less than 2½ months would be unfair.

Another organizing problem for labor is that employers can fire key workers for engaging in union activities and thus intimidate other employes. Although such firings are illegal, the severest penalty now is likely to be the payment of back wages. Labor originally wished to triple the penalty. But that would probably produce a flurry of triple-pay suits, regardless of merit.

It would also unduly inhibit employers from firing incompetent workers who might claim that they were being fired for union activism. Even the bill's compromise proposal to double back wages would be inhibiting, but to a lesser degree, while striking what seems to us as a fair balance between the rights of employers and employes.

The bill's proposal to help speed up cases by increasing NLRB membership to seven

from its current five should benefit both sides, which is more than we can say for the notion of having "routine" appeals from NLRB hearing-officers' ruling decided by only two board members. Appellants may not consider their cases any more routine than persons who appeal civil or criminal disputes to the Supreme Court, where having two justices out of nine decide would be more like legal lottery than constitutional review.

Automatic enforcement of NLRB decisions unless an appeal is filed within 30 days of an order, as proposed by the bill, also seems to be a way to expedite decisions without unduly restricting the ability of either side to respond.

More dangerous is the proposal to deny U.S. government contracts to employers who "wilfully" violate labor laws.

This would do more than redressing a possibly legitimate grievance. It would tend to discourage employers from lifting a finger against intolerable employe actions for fear of losing the case before the NLRB and the courts and therefore of losing federal contracts upon which the livelihood of employers and workers alike may depend. That would represent the kind of unhealthy shift in balance between employers and employes that has got both sides into trouble in the sagging economies of other industrial nations.

We support certain of these proposed changes because they strike us as fair. If there has been an agreement whereby the Carter administration will support the Williams-Thompson proposals in exchange for labor's abandonment of its more obnoxious proposals such as prohibiting state right-to-work laws, good enough; many of these proposals remain what they always have been—monopolistic special interest schemes that penalize the average worker as well as the consumer.

SYMBOL OF EXCELLENCE

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. LEDERER. Mr. Speaker, I would like to call the attention of my colleagues in the House to a special accomplishment earned by a business in my congressional district.

The employees and management of the Nannette Manufacturing Co. have received the Sears "Symbol of Excellence" award for superior quality of merchandise produced last year, dependability of supply, and initiative in developing new and improved products. The award is very special indeed. Less than one-half of the product sources in the Sears family of over 12,000 receive such recognition. In addition, this is the 6th year that this company has received this award.

It is with a great deal of personal pride that I bring this to the attention of Members of this astute body. In an era when quality and excellence has been declining in the marketplace, it is refreshing to see how this business continues to keep the high standards required by both their employees and management. Superior product quality, high productivity, and dependable service are the trade marks of a fine business enterprise.

Mr. Speaker, I want to extend congratulations to all of the employees and management personnel at Nannette Manufacturing Co. and bring this great accomplishment to the attention of the Members of this body.

TAX REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for August 17, 1977, into the CONGRESSIONAL RECORD:

TAX REFORM

Why can't we have a simpler tax system? Why must our tax forms be so confusing that only one in four taxpayers can complete them without help? Why can't we enact tax laws that would put people with the same income on an equal footing so that each person would pay his fair share?

Most of the complications and inequities which trouble taxpayers are directly related to the manner in which our tax system is used for purposes other than raising revenue. By not collecting all the taxes the government might on certain types of activities, our tax laws promote various social and economic goals. Among other things, home ownership and investment in private enterprise are encouraged, state and local governments are subsidized, the cost of moving from one job to another is underwritten and schools, churches and charities are supported.

The direct cost of these "tax preferences" is staggering. The federal government will lose nearly $127 billion in revenue for the fiscal year beginning October 1 because of them. Equally alarming is the fact that lost revenue could amount to $167 billion in fiscal year 1982, primarily because inflation adds to the value of tax preferences and Congress continues to give more tax breaks to one special interest group or another. These figures, however, are hardly surprising when we consider that more than half of all income presently escapes taxation.

The cost in terms of complexity and inequity of these tax preferences is equally staggering. The host of exemptions, exclusions and deductions not only make our tax laws complicated and confusing, but have spawned a billion dollar industry to prepare tax returns.

Any serious efforts to reform or to simplify the tax laws must address the issue of tax preferences. To the extent that they are eliminated, the tax base is increased, thus making it possible to lower tax rates while maintaining revenues. However, should the aim of the tax laws just be to raise the funds that Congress deems necessary to run the government? How far should we go in eliminating tax preferences in the interest of simplicity, fairness and lower taxes? Would it be politically feasible to get rid of many of the tax preferences that Americans have come to expect?

One increasingly popular proposal in Congress would make tax preferences subject to periodic, mandatory review. Under such a "sunset" proposal, tax preferences would be automatically terminated after a certain number of years unless Congress decided that they should be continued. Undoubtedly sunset laws would help to slow the rapid proliferaiton of preferences. Opponents argue, however, that they would cause too much uncertainty for businessmen and individual taxpayers and thus hurt the economy.

President Carter has promised a major overhaul of our tax laws to make them simpler, fairer and more encouraging to economic growth. Although his proposals are still in the planning stage, his comprehensive tax package is expected next month. The options he is considering have been narrowed. They include:

An across-the-board cut in individual income-tax rates;

A tightening of limits on deductions for home mortgage interest;

Stronger restrictions on health care and casualty-loss deductions;

Repeal of the deduction for state and local sales taxes;

A curb on the use of business expense accounts;

Repeal of the provision allowing capital gains to be taxed at half the ordinary rate; and

Incentives for business investment (perhaps through lower corporate tax rates, increased investment tax credits, or an end to double taxation of corporate dividends).

President Carter's tax package will no doubt spark considerable debate. A recent survey reveals that a full 64% of the general public believes that our tax system is unfair. Only one in four, however, demands that tax revision be given top priority by federal lawmakers—an indication, perhaps, of a softness of popular support for substantive tax reform. In this context, it remains to be seen whether the President's proposals will galvanize public support or fall prey to parochial interests.

Tax reform has always been popular. No one likes to pay taxes, and promises of reform and simplification of the tax laws have great appeal—at least until specific proposals are put forward. Everybody wants to have reform and simplification as long as someone else has to give up his benefits. Meaningful tax reform, however, must involve all of us. Although the rich benefit disproportionately from tax preferences, the largest and most costly tax preferences are those enjoyed by nearly everyone.

EXPLANATION FOR ABSENCE FROM TWO VOTES SEPTEMBER 8, 1977

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. EDGAR. Mr. Speaker, yesterday I had to leave the floor before the close of business to keep a 5:30 appointment with Deputy Secretary of Defense John Duncan. I was meeting with Secretary Duncan to get his explanation of why Boeing Vertol, a helicopter manufacturer in my district, has lost a large contract for the Navy LAMPS helicopter to another bidder. This loss has dealt a devastating blow to the economy of my congressional district.

After I left the floor, two recorded votes occurred prior to adjournment. The first was on Mr. Jacobs' amendment to the second budget resolution to delete all funds for the Republic of Korea unless they extradite Tongsun Park to this country. Had I been here, I would have voted "yea" on Mr. Jacobs' amendment. The second vote I missed was on the final passage of the second budget resolution

for fiscal year 1978. Had I been present, I would have voted "yea" on the resolution, House Concurrent Resolution 341.

MONEY CAUSES CANCER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, recently two reputable scientists confirmed what many probably have believed for a long time. Too much of any substance put in the human body under certain conditions will cause cancer. Using dimes inserted in the stomachs of rats, these two scientists were able to induce cancer in a great number of rats. Therefore, should we ban money? Probably yes the FDA would say. We have really reached the point of the ridiculous! The very interesting commentary on this matter from a Richmond Times-Dispatch editorial of August 5, 1977, follows for the edification of my colleagues who have joined or are thinking of joining on legislation to modify the Delaney amendment, such as H.R. 5508:

MONEY CAUSES CANCER?

Two scientists at the Denver General Hospital inserted sterilized dimes into the abdominal walls of 35 rats, and indications are that more than half the rats will get cancer. Federal health and safety officials should immediately ban all coins from circulation, declare the scientists.

"Indeed," write Dr. George E. Moore and Dr. (Ph. D.) William N. Palmer in a letter in the current issue of *JAMA*, the journal of the American Medical Association, "there is an excellent probability that folded paper money, government paychecks, bills and credit cards will provoke sarcomas [malignant tumors of the connective tissues] and they should be banned immediately."

The purpose of the experiment, according to Dr. Palmer, with whom we talked yesterday, was to demonstrate the asininity of the federal law which requires the banning of any food, food additive or food container that is found to cause cancers in rats.

The dimes were inserted into the 35 rats on March 28, 1976, and in only 14 months, nine rats had sarcomas and nine had abdominal masses. The experimenters estimate that malignancies will develop in more than half of the 35 rats.

Not being scientists, we are unable to assess the significance of the rat-dime experiment, but Dr. Palmer points out that his colleague, Dr. Moore, can be considered an authority on cancer, since he was for 17 years director of the Rosewell Park Memorial Hospital, a cancer research institution, in Buffalo, N.Y.

So it is of more than passing interest when Dr. Moore joins Dr. Palmer in charging that in proposing to ban saccharin, "the decision-makers in the Food and Drug Administration have done it again: protected the rat, reduced the credibility of cancer scientists, and kept their string of inane pronouncements on cancer dangers intact."

Food and Drug Administration officials may be able to refute the argument made by Drs. Moore and Palmer. Even though people don't make a habit of swallowing dimes, the view expressed by these researchers further emphasizes the importance of Congress' taking a close look not only at the FDA's specific action on saccharin, but also at the law which requires the banning of any food-related item that is found to cause cancer in humans or animals.

S. SHEPHERD TATE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FORD of Tennessee. Mr. Speaker, I rise today to call the attention of my distinguished colleagues in the House of Representatives to an outstanding constituent of the Eighth Congressional District of Tennessee, Mr. S. Shepherd Tate. Mr. Tate, a leading member of the Memphis bar, was elected president-elect of the American Bar Association at its recent convention in Chicago. He is only the third Memphian to be so honored.

I am pleased to have been consulted by Mr. Tate on several issues since I have been in Congress, and I particularly look forward to his continued input into the legislative process in his new position of leadership. At this point I would like to share with the Members of the House an article from the Memphis Press-Scimitar about Mr. Tate:

A MAN WHO GETS THINGS DONE

(By Charles Thornton)

S. Shepherd Tate, the third Memphian since the 1930s to head the prestigious American Bar Association, is considered by his associates to be a quiet man who learned to keep his mouth shut as an intelligence officer during World War II.

Tate, 59, associated with the Memphis law firm of Martin Tate Morrow & Marston, follows the footsteps of Memphians Walter Armstrong Sr. and Edward Kuhn as presidents of the American Bar Association.

"He has a distinguished war record," said John Martin Jr., one of Tate's law partners.

"During World War II, he was a Navy intelligence officer and he won this enormous citation from the Chinese Nationalist government, but I don't know what it was for because it's written in Chinese," Martin said.

Exactly what Tate did to earn the citation is still pretty much a secret.

"Those intelligence boys were taught to keep their mouths shut and about all I know about it is that he served in the field," Martin said.

Fellow attorneys see Tate's elevation to president-elect of the ABA as an honor for the Memphis legal profession and the city.

"We are lucky to have a man like Shep," said one attorney. "He is absolutely conscientious. When he served as president of the Memphis and Shelby County Bar Association, he made sure every detail was followed and any committee he ever chaired got its job done."

WAS A TOP SCHOLAR

Other attorneys point to Tate's academic abilities and remark that his education didn't stop when he finished law school.

"He is a graduate of Southwestern at Memphis and went to law school at the University of Virginia," said another. "He is a Phi Beta Kappa and a member of Omicron Delta Kappa."

After completing law school and serving in the Navy, Tate returned to Memphis to serve as a law clerk in the office of the late U.S. Court of Appeals Judge John Martin Sr., father of Tate's law partner.

"He only stayed over there awhile, then I stole him away and we've been together ever since," John Martin Jr. said. "That was in 1947."

As a community member, Tate has been active. He is a former head of the Chickasaw Council of the Boy Scouts of America and had been active in scouting since 1929. He joined Troop 20 at Idlewild Presbyterian Church when he was 12.

He also is a former president of the Tennessee Bar Association and active in his church, having served on the vestry of Grace-St. Luke's Episcopal Church and as delegate to national conventions of the Episcopal Church, representing the Diocese of Tennessee.

One of his latest ventures was to take part in a special ABA task force to recommend guidelines on lawyer advertising.

He was named to the task force after the U.S. Supreme Court ruled 5–4 that lawyers could not be prohibited from advertising routine legal services.

He urged rank-and-file suggestions from the 218,000 members of the ABA to help his panel tackle the advertising question.

"Lawyer advertising has not had the best connotation," he said. "It connotes puffery and self-laudatory statements."

BOAT AND TENNIS BUFF

But Tate, a man of carefully measured words and considered thought, would not venture to guess what the task force recommendations would be. He emphasized that ABA advertising codes are only guidelines for individual state bar groups or supreme courts to consider.

"It's up to each state to set rules," he said.

Despite his heavy involvement in corporate law, family matters and the community, Tate still finds the time to do more boat maintenance than boating and he takes more than an occasional whack at a tennis ball.

"I guess he got his love of boats from the Navy," said one acquaintance. "He's on his third boat and I think he enjoys keeping it in fine trim more than running it. The only other hobby he has that I know of is playing tennis."

Decorating his office walls apparently isn't a hobby.

"The only decoration he has on the wall is a picture of his grandfather for whom he was named—Stonewall Shepherd," said an acquaintance.

It seems that the late Mr. Shepherd was an admirer of Stonewall Jackson, the Confederate general. And his parents, thinking it would be a fine thing for a man to go through life with a name of his own choosing, permitted him to name himself. He chose Stonewall—a name that was passed on to Stonewall Shepherd Tate.

NATIONAL WOMEN'S CONFERENCE

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ULLMAN. Mr. Speaker, I am pleased to insert in the RECORD a message from our esteemed former colleague, Congresswoman Martha Griffiths of Michigan. I served on the Ways and Means Committee with Mrs. Griffiths for many years and am very conscious of the outstanding contributions she has made in many areas of public policy.

As sole author of the Equal Rights Amendment, Mrs. Griffiths has played an important role in the restructuring of our laws to guarantee American women equality of opportunity, and she continues to be a tireless and effective worker for this cause.

Mrs. Griffiths outlines some of the problems that have attended the series of meetings held in the States and territories as part of the mission of the National Commission on the Observance of International Women's Year, as well as some of their accomplishments, and gives a statement of the facts concerning the National Women's Conference to be held November 18–21 in Houston, Tex.

The article follows:

STATEMENT BY FORMER CONGRESSWOMAN MARTHA GRIFFITHS CONCERNING NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR

The National Commission on the Observance of International Women's Year is midway toward the accomplishment of its mission, as mandated by the 94th Congress in Public Law 94–167. Fifty-six meetings have been held in the States and Territories. At the present time, planning goes forward for the National Women's Conference to be held November 18–21 in Houston, Texas. Federal support makes these meetings possible so we wish to inform you of recent developments. Because constituents will undoubtedly be contacting you regarding the Houston meeting, I hope it will be helpful to you and your staff to have this current information at hand.

THE PURPOSE OF THE HOUSTON CONFERENCE

The recent Bicentennial observance, coupled with International Women's Year and its World Plan of Action, focused attention upon the contributions made by women to national life and also on the need to evaluate the discrimination, based on their sex, which American women face. Among the Conference goals, established by the Congress, are the assessment of the progress that has been made by both public and private sectors to promote equality between men and women in all aspects of American life, the identification of barriers to full equality, and the development of recommendations for removal of these barriers. State meetings were held to secure the widest possible involvement in preparations for the Houston Conference. Following the national meeting, a report will be transmitted to the President, the Congress, and the general public.

THE STATE MEETINGS

The Commission established State coordinating committees, each composed of individuals who were experienced in conference organization, familiar with their States, knowledgeable about women's issues, and willing to make positive contributions to the conference process. These committees were responsible for organizing State conferences under guidelines established by the Commission.

The State meetings proved to be highly significant for several reasons. (1) Such diverse groups of women, representing a wide range of age, economic, religious, racial, and ethnic groups, have been assembled very seldom if ever in American history. Housewives, professional women, students, members of trade unions, civic volunteers, welfare mothers, and grandmothers joined together to discuss issues of mutual concern. Many of those attending had never attended a women's meeting previously. (2) Workshops were concerned with a comprehensive range of issues, all growing out of the lives of women. Much attention was given to the role of women as wife, mother, homemaker, and worker in modern American society. Resolutions related to program issues will be considered at the national meeting.

The important achievements of the State meetings were accomplished in spite of some difficulties. One source of tension was the obvious success of these meetings in responding to the felt needs of women: attendance was very high. For example, the New York State meeting, planned for about 3,000 participants, drew over 10,000 people in Albany. Such high levels of interest created administrative problems for the planners which were sometimes little understood by the participants. Some women had little experience in such large gatherings, a factor which complicated orderly procedures. Attendance figures for the State meetings are attached.

In some States, there were clearly some participants who did not intend to discuss agenda issues but aimed to disrupt the proceedings. Their efforts to debate the goal of equality for men and women, as set forth by the Congress, rather than to join with others in the analysis of recognized needs were generally unsuccessful. It is unfortunate that such activities generated in the media a distorted view of some meetings which emphasized controversy and obscured the facts of accomplishment. Several thoughtful newspaper articles relating to the origins of the disruptive efforts are enclosed.

THE HISTORICAL PERSPECTIVE

In evaluating these meetings, it is important to consider some of the changes that have already occurred in the lives of American women and now require attitudinal, societal, and legal adjustments. (1) Women can now expect to live longer. In 1900, the average woman lived to be 48 years old, in contrast to the woman in the 1970s who can expect to live 75 years or more. Most women now live beyond the demanding years of motherhood; many become widows or divorcees in need of employment and financial security; and many aging women live alone, often in poverty. (2) More women are now in the labor force. In 1900, 20 percent of all women over the age of 16 were working. By 1975, 46 percent of all women over 16 were employed outside the home. Since 1950, inflation and the rising economic aspirations of families have caused large numbers of women, often those with children, to require paid employment outside the home. These two factors, longer life expectancy and labor force participation, are merely indicative of many changes which have already taken place. They do illustrate the need for reevaluation of educational programs, employment practices, support systems for families, health care programs, and provisions for the aging.

The perspective of history also emphasizes the similarity between the arguments used to oppose contemporary efforts and those utilized over sixty years ago to oppose woman suffrage. Long ago, opponents claimed that if women became involved in politics, the American family would be destroyed. Female participations in political life, it was feared, would cause arguments between husbands and wives, and a subsequent increase in divorce. Also, the claim was made that voting mothers would neglect their children, causing an increase in juvenile delinquency. Extensive immorality was predicted when "pretty girls buttonholed strange men in the streets on Election Day" to urge support of candidates. Opponents continually identified woman suffrage with the feared alien influence of socialism. While those advocating votes for women were frequently depicted as "radicals", a group of women claiming to represent "women of every station in life" stated in the 1913 CONGRESSIONAL RECORD that to add "the distracting forces of political campaigns" to their many other duties would surely wreck their constitutions and destroy their homes. The fears aroused by the imminent threat of women voting have not been realized.

THE NATIONAL CONFERENCE IN HOUSTON

One thousand four hundred and forty-two delegates, elected at State meetings, will consider the conference agenda together and will determine the resolutions to be included in the final report. Challenges to the election of some of these State delegations have been adjudged by the Commission's legal counsel to be without adequate foundation. In addition, 400 delegates-at-large will be selected by the Commission in an effort to recgonize the special contributions some women have made to American life and to balance the total delegation to reflect the requirements in Public Law 94–167 that special emphasis be placed on "representation of low-income women, members of diverse racial, ethnic, and religious groups, and women of all ages." An exciting program of small discussion groups, lectures, and films is planned for those participants who are not elected delegates.

Please feel free to contact us if you need further information. The Commission has available a few copies of studies on the legal rights of homemakers in each State which we can forward to you, if you so desire. They can also be ordered from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, for $1.25 each. These studies were used in workshops on the homemaker in the State meetings. We look forward to the National Conference in Houston as a historic landmark in the long struggle of American women to secure equal rights and responsibilities.

PANAMA CANAL TREATY

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAGEDORN. Mr. Speaker, negotiators for the Carter administration have recently arrived at an "agreement in principle" on the "basic elements" of a new treaty on the Panama Canal, and efforts are in high gear to make it appear that opposition to the treaty is not merely wrong-minded, but in some ways totally irresponsible.

My own opposition to this treaty stems not only from the basic fact that the canal legally belongs to the United States, and that we have dealt fairly with Panama and canal shippers through the years in developing a resource that would never have been developed but for our presence, but also from a concern that the treaty symbolically represents another instance of retreat by the West—and specifically by the United States—in the face of "world opinion."

As a recent article in the Wall St. Journal notes:

The third major pro-treaty argument is the fear of alienating world opinion * * * Ambassador Sol Linowitz, one of the treaty negotiators, has even stated that the new treaty

will "prove" us magnanimous to a skeptical (third) world. Yet if this world is not convinced of U.S. benevolence after our re-building of post-war Europe and our billions of foreign aid dollars to scores of underdeveloped countries, one more act of charity will not convince it. This treaty might just as well reinforce the notion that America is acting, not from generosity, but from weakness.

Paying Panama for the privilege of demonstrating our "magnanimousness", and for the opportunity to relinquish a bit of our sovereignty further heightens the absurdity of the treaty.

I would like to insert the full text of the Journal article by Dr. Roger Fontaine, director of Latin American Studies at Georgetown University's Center for Strategic and International Studies:

SCARE TALK AND THE CANAL

(By Roger W. Fontaine)

Negotiators for the Carter administration have reached an "agreement in principle" with Panama on the "basic elements" of a new treaty on the Panama Canal.

Although the exact language has not yet been fully drafted, the main features call for transfer of the canal and the 533-square mile Canal Zone to Panamanian control in 23 years. The military presence of the U.S. would end by the year 2000, after which we would continue to have the unilateral right to insure an open and neutral canal. This latter provision clearly implies the right to military intervention, although the Carter administration does not like to use that term. A major controversy will undoubtedly flare up over this point.

But what is interesting about the proposed treaty is not its novelty but its utter familiarity to those who have had the patience to follow the negotiations over the last few years. The supporting arguments are also familiar, and they will now be echoed by most of our foreign policy establishment, including Gerald Ford and Henry Kissinger. Yet these arguments are still open to serious criticism, not, as our pro-treaty pamphleteers would have it, the criticism of the uninformed, the jingoistic and the merely nostalgic.

Three scare arguments are especially prominent, and need especially to be reviewed. First, that the canal is vulnerable to sabotage. Second, that a full-blown guerrilla war might break out in Panama. And last, that in such an event the United States would be condemned by all of Latin America, if not by the entire Third World.

The Carter administration, facing a suspicious Senate and public opinion, will probably rely on these arguments in its campaign for ratification. Suggesting that the U.S. is being subjected to extortion by tiny Panama is accurate enough, but the truly important part of the equation is that we Americans are engaging in acts of self-extortion. We are frightening ourselves with disaster scenarios which although superficially plausible have never been thoroughly dissected.

FEAR OF SABOTAGE

First, the fear of sabotage. Although the canal is and always has been vulnerable, wrecking it is obviously to no one's advantage, and least of all to that of the Panamians. Since North American capital would be required to restore operations, Panama would remain as dependent as ever on the United States. Furthermore, a treaty which delays full control until the year 2000 seems unlikely to stay the hand of the young and impatient saboteur.

Second, guerilla warfare. The specter of another Vietnam is an effective weapon, no doubt, in persuading a war-weary American public to surrender its rights on the isthmus. But the extent of the problem remains to be analyzed properly.

The potential does exist for small urban terrorist squads, recruited from Panama's large student population, to make lightening raids into the zone. They might stage robberies, kidnappings and assaults on police or civilian functionaries in the zone as well as in Panama itself. U.S. military and police units would find it tempting to chase these raiders back into Panamanian territory, thus provoking nationalist outcries.

Yet a truly serious insurgency is unlikely. Panama is not Vietnam in size or resources, nor does it have a nearby neighbor willing to aid the "liberation struggle." Furthermore, the Panamanian chief, General Omar Torrijos Herrera, is unlikely to provide the training and logistical support necessary to transform urban terror squads into full-fledged rural insurgents. Declaring war, even sub rosa war, on a superpower is still a dicey business.

Moreover, Gen. Torrijos may well find it more in his interest to stamp out, than to encourage insurgents. The regime remains extraordinarily dependent on foreign investment, foreign banks and, yes, foreign tourists—none of whom would enjoy working and playing in Belfast-style surroundings.

Finally, Gen. Torrijos is even less likely to enlist outside material support, even from such friends as Fidel Castro and Muammar Khadafy. The risks are too great and these gentlemen have too many other preoccupations. The Cuban leader, moreover, knows very well that Latin American guerillas have an extraordinary rate of failure. Their only hope would be to wear down U.S. public opinion through a sustained campaign of terror, not a wholly irrational hope, but far from the worst-case scenario of the treaty's supporters.

The third major pro-treaty argument is the fear of alienating world opinion, a familiar scenario which arises whenever there is a question of using force to insure American interests. Ambassador Sol Linowitz, one of the treaty negotiators, has even stated that the new treaty will "prove" us magnanimous to a skeptical (third) world. Yet if this world is not convinced of U.S. benevolence after our rebuilding of post-war Europe and our billions of foreign aid dollars to scores of underdeveloped countries, one more act of charity will not convince it. This treaty might just as well reinforce the notion that America is acting, not from generosity, but from weakness.

To criticize this argument is to question the notion that what others may think must control our policy. No serious man should be concerned with critical opinion of Panama emanating from Conakry or Kampala, or much less Moscow.

Yet Latin America is a somewhat different case since, with the exception of Cuba, none of its countries are our sworn enemies. The depth of our ties with this region is matched only by those with Western Europe. Yet even though no Latin American regime publicly supports the United States, the depth of pro-Panamanian feeling varies considerably from country to country. It is strongest in Venezuela, Colombia and possibly Mexico; it is weakest in the southern cone of South America. For example, Brazilians, heavy users of the canal, have privately expressed deep misgivings over Panamanian control.

ONLY FIVE NATIONS

Despite Gen. Torrijos's numerous meetings with regional leaders, the last one held in Bogota early this month, he has managed to get the collective support of only five other nations.

Moreover, a surrender of the canal is not likely to gain us lasting respect or affection. And why should it when the obvious way to deal with us is to make more demands in as unfriendly a fashion as possible?

Beyond these arguments, our reluctance to hang on to the canal reflects a sense of uneasiness, of guilt at maintaining what is so glibly described as a "colonial enclave." Our presence simply can't be squared with the radical anticolonial (to wit, antiwestern) sentiment that is now the common intellectual coin of the globe.

Yet it must be pointed out that Panama has benefitted mightily from a resource that it alone could not exploit. It is a fact of life that the canal is a major international waterway that simply cannot be operated, much less defended, by one of the smallest countries in Christendom. That it would strike many as arrogant to state these facts is a mark of the extent to which we have absorbed the doctrine of international egalitarianism. National duty is not easily transferred nor fundamental geopolitical facts altered by political bombast.

The United States must retain the major role in running and defending the canal. It is still open to question how precisely to define that role, as well as the nature and extent of Panama's contribution. What should not be open to debate is the right of this country and the other users to an open and secure passageway between the planet's two principal oceans.

In spite of the attempts to secure ratification through scare arguments, this treaty does not fit these requirements.

TV VIOLENCE SPARKS IMITATIONS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. MURPHY of Illinois. Mr. Speaker, study after study over the past decade has linked television violence to violent acts by young people. This connection is understandable. According to A. C. Nielsen, the typical high school graduate has spent some 15,000 hours watching television. That is 4,000 hours more than he has spent in school. This 18-year-old viewer has witnessed an estimated 18,000 murders and innumerable beatings, shootings, robberies, and bombings.

Small wonder, then, that as the dosage of TV violence has increased over the past decade, so has violence in American society. Since the 1960's, crime and violence have been increasing nearly 14 times faster than our population growth. In fact, murder is the fastest growing cause of death in the United States.

Although most of the 2,300 studies and reports on TV violence point to its destructive influence, the three major networks have paid little heed to warnings that TV can be a breeding ground for criminals. A recent study issued by the House Subcommittee on Communications concludes:

(The) continuing high level of violence * * * suggests that the industry has been unable to come to grips with the problem—of TV violence—despite years of attention to it.

Mr. Speaker, I would like to draw my colleague's attention to an article I have written on this important subject. The article appeared in the Daily Calumet on August 30, 1977.

TV VIOLENCE SPARKS IMITATIONS

(By Representative Morgan F. Murphy)

On March 8, 1973, the CBS television network broadcast a movie called "The Marcus-

Nelson Murders," which depicted a brutal rape and murder of a young woman. Three weeks later, a 17-year-old Atlanta boy confessed to the rape and murder of a young woman, saying that he had patterned his killing after the CBS movie.

On Sept. 30, 1973, ABC aired a movie entitled "Fuzz." The film portrayed a band of youths who, for the sake of cheap thrills, drenched some tramps with gasoline and set them ablaze. Two days later in Boston, six young men forced 25-year-old Evelyn Wagner to pour gasoline over herself in an empty lot and then set her afire. She died four hours later.

On Sept. 10, 1974, NBC broadcast a movie called "Born Innocent." The movie showed some female inmates in a juvenile detention home sexually assault a girl in a shower. Four days later, three San Francisco girls, ages 10 to 15, made a similar attack on a nine-year-old girl.

These are just a few grisly examples of how television violence has stimulated young persons to commit violent acts. They are not isolated incidents. Study after study over the past decade has linked television violence to violent acts by young persons.

The connection between TV violence and antisocial behavior is understandable. According to A. C. Nielsen, the typical high school graduate has spent some 15,000 hours watching television. That is 4,000 hours more than he has spent in school. This 18-year-old viewer has witnessed an estimated 18,000 murders and innumerable beatings, shootings, robberies, and bombings.

Small wonder, then, that a recent study commissioned by ABC showed that 22 of 100 juvenile offenders admitted copying their criminal techniques from television. In January, TV Guide reported that four out of 10 inmates at Michigan's Marquette maximum security prison attempted crimes based on what they had seen on TV crime shows.

As the dosage of TV violence has increased over the past decade, so has violence in American society. Since the 1960s, crime and violence have been increasing nearly 14 times faster than our population growth. In fact, murder is the fastest growing cause of death in the U.S.

Although most of the 2,300 studies and reports on TV violence point to its destructive influence, the three major networks have paid little heed to warnings that TV can be a breeding ground for criminals. According to a July report issued by the House Subcommittee on Communications, while violence temporarily receded in 1975 (the year of the "family hour"), it increased in 1976 and has been steadily climbing ever since. The subcommittee concluded: "This continuing high level of violence suggests that the industry has been unable to come to grips with the problem (of TV violence) despite years of attention to it."

Some major civic and religious organizations have mounted campaigns against TV violence. The 6.6 million-member PTA has been holding regional forums to mobilize c'tizens against TV violence. Last February, the American Medical Association which has labeled television an "environmental hazard," asked 10 major corporations to review their sponsorship of excessively violent programs.

The public is clearly disenchanted with television violence. An Aug. Harris poll revealed that 71 percent of the American people feel that there is "too much violence" on TV, and 71 percent disapprove of the kind of violence shown.

Of course, parents cannot pin all the blame for TV violence on the networks. A Feb. Gallup poll revealed that 46 per cent of the parents surveyed did not put any restrictions on the types of programs their children watch. If parents are serious about reducing present levels of TV violence, they must take an active interest in monitoring what their children watch.

What can the concerned parent do about TV violence? One authority on TV violence, Eugene Methvin, suggests the following:

Write your local TV station whenever a specific program offends you. Ask the station's manager to put your letter and his reply in the "public inspection file," which is reviewed by the FCC when the station's broadcasting license is up for renewal. Send copies of your letter to your local PTA and other public interest groups, and to the Senate and House Communications subcommittees.

Write advertisers of shows that you feel are too violent. Tell them you disapprove of such shows.

If you are strongly offended by a station's programming, file a formal complaint with the FCC. For information on how to demand a hearing to oppose a station's license renewal, write to the Citizens Communication Center, 1914 Sunderland Place, NW., Washington, D.C. 20036.

While the FCC does not have the authority to censor TV programs, it does have the power to review whether a TV station is operating in the public interest. Citizens have a duty, therefore, to make sure that local TV stations are living up to their community's expectations.

SOCIAL SECURITY

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CONABLE. Mr. Speaker, this morning the minority leader, JOHN RHODES, and I unveiled a major Republican initiative dealing with the problem of social security. I think that the comprehensive 15-point proposal deserves the most serious consideration by my collegues and hope they would give it their full attention. For this reason, I ask unanimous consent that three different items be printed in the RECORD immediately following my remarks.

They are: (1) A summary statement describing the proposal; (2) an indepth background paper providing details of the initiative; and (3) a statement provided by Mr. RHODES and myself, supported by Messrs. ARCHER, STEIGER, KETCHUM, and SCHULZE, all of whom are Republicans on the Social Security Subcommittee:

STATEMENT ON A NEW REPUBLICAN INITIATIVE ON SOCIAL SECURITY BY CONGRESSMEN RHODES, CONABLE, ARCHER, STEIGER, KETCHUM, AND SCHULZE

We believe that the nation's social security system should be restored to financial stability on a long range basis. We owe this not only to the 100 million Americans who support the system and the 34 million who already benefit from it, but to the next generation as well. They deserve no less.

We also believe that a number of long-standing inequities in the system, especially those related to the treatment of women, should be corrected.

We further believe that the system should be adjusted to changing American life styles, that beneficiaries no longer should be penalized for continuing to lead productive lives, and that we should move closer toward truly universal social security coverage.

And we believe these desirable goals can—and should—be attained without: (1) altering the basic structure or nature of the system; (2) adding heavily to tax burdens in the future; or (3) requiring any tax increases over the next several years, in light of an uncertain economy and current payroll levies on both employers and employees.

Toward these ends we are presenting, for the consideration of the Congress and the American people, a comprehensive 15-point social security proposal. It would place the system on a sound financial footing for at least the next 75 years, it would solve the immediate financial shortfall in the trust funds, it would strengthen the system's insurance character, and it would correct a number of inequities. It would do all this with no tax increase until 1982 and with less than a 1¼ percent increase through the year 2050.

The proposal does not, it should be emphasized, offer the myth of something-for-nothing. It is realistic. There are prices to pay for the problems it solves. But we feel the prices are reasonable, especially in view of obvious alternatives: (1) a drastic lowering of benefits, (2) a heavy increase in payroll taxes now and in the future, or (3) the illusory use of general revenues, which would require substantial borrowing by the Treasury, an even bigger public debt, and eventually higher taxes and more inflation for all.

Our proposal, which includes a number of "tradeoffs," should be considered as a unit. Its parts—interdependent and not interchangeable—have been blended carefully into a particular whole, and it should be judged as such.

As far as we know, this proposal stands alone. If there is another—to solve the system's financial problems, to correct so many of its inequities, and yet to cost the taxpayers so relatively little—it has remained well hidden from public view.

Specifically, our proposal would:

A. Meet the immediate financial needs of the Social Security Trust Funds by:

(1) Reallocating taxes collected, between the Old Age and Survivors Insurance Fund (OASI), and the Disability Insurance (DI) Fund, which is expected to become exhausted soon if preventive steps are not taken.

(2) Temporarily diverting three-fourths of a Medicare tax rate increase (0.2% per employee and employer) already scheduled to take place next year, to the OASI and DI Trust Funds. This diversion, which would not damage the Medicare Fund, would continue only through 1981.

(3) Permitting any of the three major Trust Funds (OASI, DI and Medicare) to borrow from another if necessary and with appropriate arrangements for repayment with interest. This would be a permanent provision, which should serve as a "fail safe" device against the insolvency of any of the funds.

B. Put the system on a sound financial basis at least 75 years into the future by:

(1) Decoupling the automatic benefit adjustment mechanism (to correct a flaw in the mechanism) and indexing workers' earnings records to wage trends. These changes follow generally the recommendations of both the Ford and Carter Administrations. This proposal would, however, adjust the ultimate benefit level to account for overexpansion that has occurred since the automatic adjustment flaw was enacted. A savings clause would be included guaranteeing that no future retirees would receive lower benefits than they would have received under the present-law benefit formula as it was at the time of the change. (Decoupling and wage indexing would reduce the system's long-range deficit by slightly more than half.)

(2) Advancing gradually and slowly—from 65 to 68—the age at which full retirement benefits would be payable. The adjustment would not begin until 1990 and would not

reach maturity until 2001. Each year during that span the full benefit retirement age would be advanced by one quarter year. Workers could continue to retire as early as age 62 but with slightly greater actuarial reductions than at present. Gradual and distant implementation of this change, which is in keeping both with efforts to abolish mandatory retirement policies and with increased longevity and productivity of American workers, is designed to permit orderly retirement planning. (This provision would further reduce the system's deficit, by about 20%.)

(3) Permanently reassigning one-fourth of the Medicare tax rate increase, scheduled next year, to the OASDI Trust Funds. This amount approximately equals additional money which would enter the Medicare Fund because of other provisions of this proposal.

(4) Increasing tax rates for employees, employers and the self-employed in three stages; 0.5 percent in 1982, 0.3 percent in 1990, and 0.4 percent in 2000. This means that tax rates would rise, under this proposal, less than 1-and-¼-percent over a 75-year span. (The Medicare tax reassignment and the three-stage rate increase would reduce the remaining deficit to less than 0.5% of taxable payroll—an actuarily sound margin.

C. Make four significant improvements in the treatment of women under Social Security, by:

(1) Providing a new benefit—a "working spouse's benefit"—designed to give adequate recognition to wives who work outside the home. The benefit would be equal to (a) the higher benefit amount due either as a worker or the spouse of a worker, PLUS (b) 25 percent of the smaller of those two benefits.

(2) Reducing from 20 years to five years the duration-of-marriage requirement for one spouse to receive a benefit based on the other's earnings record. This provision is designed to remove what many divorcees have come to view as an unfair and arbitrary requirement.

(3) Ending the cutoff or reduction of benefits for beneficiaries who remarry. This provision is included largely because many widows who rewed before reaching age 60, and divorced wives who remarry at any age, lose entitlement to their benefits under current law.

(4) Amending the Social Security Act to remove all remaining sexually discriminatory language.

D. Move the nation's social insurance system closer to the ideal of universal coverage by providing for the participation of all federal government employees, including Members of Congress not otherwise covered, by 1979. The objective is integration of the Civil Service Retirement and Social Security systems without reducing benefits or protection for, or increasing contributions from, participants in either program.

E. Remove the earnings limitation imposed on beneficiaries. Under present law, benefits are reduced and eventually eliminated for earnings above $3,000 per year. (The limitation is adjusted annually.) This proposal would boost the limit to $5,000 in 1978, to $7,500 in 1979, and remove it entirely in 1980.

F. Freeze the minimum primary benefit at its current level of $114.30 per month, but increase the special minimum benefit from a maximum of $180 to $219, and make it subject (as are other benefits) to automatic annual adjustments in the future. The minimum primary benefit goes, in large numbers, to governmental employees who either "moonlight" or retire early and work just long enough under Social Security to meet minimal eligibility requirements. The special minimum applies only to those who have worked many years at relatively low wages under the system.

G. Limit disability and survivorship benefits to the maximum primary benefit payable to a worker reaching age 62. Under present law, some younger beneficiaries receive benefits substantially higher than those awarded older beneficiaries who have worked longer under the system. This provision would remove that disparity.

This proposal is not being offered as a "trial balloon" or in a partisan spirit.

It is being presented, in light of alternatives already proposed, to reassure the millions of Americans who are concerned about social security that the system not only can be made financially secure, but can be made more equitable for generations to come. And this can be accomplished without imposing unacceptable tax burdens or dipping into the deceptive pool of general revenues.

We hope and trust it will be given serious consideration by our Democratic colleagues in the Congress as well as by the Administration. We are sending copies of the proposal to the President and the Secretary of Health, Education, and Welfare, and are confident they will give it their attention promptly.

The Subcommittee on Social Security of the Committee on Ways and Means is scheduled to begin, on Monday morning, the development of legislation dealing with the system's financial problems. We are particularly interested in having our proposal considered in that forum, and stand ready to present it there.

Of all interested parties, we ask only that the proposal be given fair-minded consideration, not in fragmented form, but in its entirety.

The proposal is described in greater detail in a separate document entitled, A Proposal for Financial Restoration and Equity Strengthening of the Social Security System. Our staff members and consultants will be pleased to discuss it in greater detail at your convenience.

PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF THE SOCIAL SECURITY SYSTEM

GENERAL OBJECTIVES

I. Restoring the Social Security system to financial soundness, now and for at least the next 75 years.

II. Correcting long-standing inequities in the treatment of women under Social Security.

III. Strengthening the insurance characteristics of the system.

IV. Moving the system closer to the ideal of universal coverage.

V. Adjusting the system to changes in life-and-work-styles of the American people.

SPECIFIC PROVISIONS

1. Removes the earnings limitation on beneficiaries in 3 stages by 1980.

2. Advances the age of eligibility for full retirement benefits, slowly and gradually, from 65 to 68, between 1990 and 2001.

3. Brings all Federal government employees under social security coverage by 1979.

4. Provides a new "working spouse's benefit," primarily to aid wives who work in covered employment.

5. Reduces from 20 years to five the duration-of-marriage requirement for divorcees to receive a spouse's benefit.

6. Ends the requirement that some beneficiaries, notably widows, lose benefits upon remarriage.

7. Eliminates all remaining sex discrimination language from the Social Security Act.

8. Requires no tax increase until 1982, then a 3-stage rate advance totaling less than 1¼% over the next 75 years.

9. "Decouples" and wage indexes to correct a flaw in automatic benefit adjustment provision and to stabilize benefit ratios.

10. Freezes the minimum primary benefit, but increases the special minimum benefit (for those with many years' work at low wages).

11. Temporarily reassigns (through 1981) ¾ of the Medicare tax increase, already scheduled next year, to OASDI Trust Funds.

12. Permanently reassigns (after 1981) ¼ of the 1978 Medicare increase to OASDI Funds.

13. Reallocates taxes between OASI and DI Trust Funds.

14. Permits any one of the Trust Funds (OASI, DI & Medicare) to borrow from another to prevent exhaustion.

15. Limits survivorship and disability benefit amounts to the maximum payable to a retiree under the system.

This proposal has five general objectives.

First, it would put the social security system on a sound financial footing for at least the next 75 years.

Second, it would strengthen the insurance character of the system.

Third, it would improve the treatment of women under the system.

Fourth, it would make long-needed adjustments in the program to reflect changes in the living and working patterns of the American people.

Fifth, it would move closer to universal coverage, which is appropriate for a nationwide, mandatory social insurance system.

The most important objective of the proposal is, of course, restoration of the financial soundness of the system, which faces an estimated deficit of 8.2 percent of taxable payroll over the next 75 year. This proposal would virtually eliminate the long-term deficit. It aso would solve the serious cash-flow problems facing the Social Security trust funds now and in the near future.

One of the two major trust funds—the one providing for payment of disability benefits—is estimated to become exhausted in early 1979 (or possibly late in 1978). This proposal would avoid that contingency, without requiring any increase in taxes over those scheduled in present law, on either employers or employees, until 1982.

PROPOSAL ANALYSIS

The proposal has 15 distinct elements.

Three elements deal with the short-term trust fund problem—by reallocating monies among the funds and by permitting one fund to borrow from another.

Three more deal with the long-range financial deficit of the system, through decoupling-and-earnings-indexing (to correct a flaw in current law and to stabilize future benefit ratios) and through modest tax adjustments and increases between 1982 and 2000.

Four deal with sex discrimination and the treatment of women through: (1) liberalizing substantially the benefit legibility of divorced spouses; (2) providing a new "working spouse's benefit", primarily to give greater recognition to wives who work; (3) eliminating the reduction or cutoff of benefits to widows or widowers who remarry; and (4) removing all remaining sexually discriminatory language from the Social Security Act.

One element would bring the system closer to the ideal of universal coverage, by requiring the participation of all Federal employees by 1979.

Another element responds to a major change in our society—the increasing longevity and productivity of American workers—by advancing slowly and gradually, in the future, the retirement age for full Social Security benefits. This would *not* prevent workers from retiring at age 62 with actuarially-reduced benefits. It *would* move, eventually to 68, the age at which full retirement benefits are payable.

The three final elements are designed to improve equity and strengthen the insurance character of the system by:

(1) Eliminating one of the most unpopular provisions of the Social Security Act—the one that imposes a limit on the earned income of beneficiaries;

(2) Freezing the minimum primary bene-

fit but also increasing the special minimum benefit for those who have worked under the system for many years at low wages and

(3) Providing that benefits for the disabled and survivors may not exceed the maximum benefit payable to a retiree.

I. SHORT-TERM FINANCING

The financial problems facing the system between now and 1982 would be taken care of through: (1) reallocation of Social Security taxes between the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds; and (2) a temporary reassignment of an increase in the tax rates for the Hospital Insurance (HI) Trust Fund, which already (under existing law) is scheduled to take place next year.

The current OASDI tax rate of 9.9 percent (on employers and employees combined) now is allocated: 1.15 percent for DI and 8.75 percent for OASI. It should be reallocated: 1.5 percent for DI and 8.4 percent for OASI. The increased allocation of 0.35 percent to the DI Trust Fund should be sufficient to prevent it from becoming exhausted by 1979 (as can be expected without a change in the law). Reallocation also should cause both Funds to remain viable at least until 1981.

In order to assure further the viability of these two Trust Funds, and to cover the cost of certain improvements in the system starting next year, part of the scheduled increase in the HI tax rate should be diverted temporarily to the OASDI Trust Funds. Present law calls for an increase in the HI tax rate, starting in 1978, from 0.9 percent to 1.1 percent for each employee, employer, and self-employed person. If three-fourths of this increase, or 0.15 percent per worker and employer, were directed to the OASDI Trust Funds beginning January 1, 1978 and ending December 31, 1981, this would not only bolster those two Funds, but also would permit a three year phase-out of the earnings limitation starting January 1, 1978.

[In addition, one-fourth of the 1978 increase in the HI tax rate (i.e., 0.05 percent for both workers and employers) would be permanently directed to the OASDI Trust Funds after 1981. This would not adversely affect the operation of the HI Trust Fund, because the amount of money involved in the diversion approximately equals the savings to this fund as a result of extending coverage to federal employees.]

To guarantee the financial viability of all three Trust Funds over the next several years, each should be permitted to borrow from another, solely for the purpose of preventing exhaustion and with appropriate arrangements made in each case for repayment with interest.

II. LONG-RANGE FINANCING

(1) The long-term deficit of the system would be reduced by slightly more than 50 percent through a process called "decoupling," plus wage indexing of the earnings record of the insured worker.

Decoupling was made necessary by what has been termed an inadvertent flaw in the 1972 law which adjusts benefits automatically according to annual increases in the Consumer Price Index. Under the present coupled system, the CPI increases are applied both to payments already being paid to those on the benefit rolls and to the benefit formula which is applicable to future beneficiaries. Decoupling would apply the cost-of-living percentage increases only to current beneficiaries.

Decoupling would be accompanied by indexing of a worker's covered earnings record. Virtually all observers of the social security system have agreed that decoupling plus indexing should be accomplished to achieve rational and reasonable benefit levels in the future. There has been disagreement, however, as to the level at which decoupling should take place, and as to whether the earnings record should be indexed to prices rather than wage trends. Both the Carter and Ford Administrations proposed decoupling at current benefit levels and indexing of the earnings record according to wages.

This proposal follows the wage-indexing approach, on the main ground that, for future retirees, it more equitably stabilizes the wage replacement ratio; that is, the relationship between the benefits they receive and the most recent covered earnings on which those benefits are based. The proposal would, however, adjust the ultimate benefit level for the overexpansion that has occurred since the automatic-benefit-increase provision was enacted.

It is an accepted fact that decoupling is made necessary because of a "mistake" in the 1972 amendments to the Sociay Security Act. The "mistake" has led to overexpansion of benefit levels since that time, and would lead to increasingly exaggerated overexpansion in the future. It seems logical to have the ultimate benefit level adjusted for the overexpansion which has taken place since the "mistake" was made.

Starting just before the "mistake" was made, and continuing to the present time, the cost-of-living has risen 53.0 percent, while Social Security benefits have increased 62.1 percent. Thus, benefits have increased about 6 percent more than the cost-of-living over that span of time (162.1 compared with 153.0 produces a difference of about 6 percent). Accordingly, it is reasonable to decouple at a 6 percent lower level ultimately.

This does not mean that benefits would be reduced for those currently receiving benefits. They would be treated exactly as under existing law. Whenever the cost-of-living (as measured by the Consumer Price Index) advances in a year by 3 percent or more, benefits would continue to be increased commensurately.

Nor does it mean that dollar amounts of benefits paid in the future would be lower than present levels. To the contrary, dollar amounts—as well as the purchasing power of benefits—for future retirees would be higher than present levels.

A major difference between this proposal and the present system is that wage replacement ratios (the relationships between benefits and recent covered earnings on which those benefits were based) would remain stable in the future.

It is important to note that, under this proposal, a savings clause—or guarantee—would be provided so that no future retiree would receive less than he or she would under the present-law formula as it was at the time of the change. In other words, retirees in the future would have their choice. They could take the benefit available under present law at the point of changeover, or they could take the benefit provided under the new method, whichever is larger.

(2) The long-range deficit would be reduced further (by about 20 percent) through a slow and gradual advancement in the retirement age at which full benefits are payable. This proposal would move that age from 65 to 68, by degrees, starting in 1990 and ending in 2001.

When the Social Security system was enacted, 42 years ago, American workers were not living as long as they are now, nor were they as productive for as long a period of time. From time to time, the system has responded to other changes in the working and living habits of the people it serves, and it is reasonable for the system to adjust to these trends also.

It should be borne in mind that the longevity of the American people is expected to continue increasing in the foreseeable future. The birth rate, meanwhile, has declined drastically and may well continue downward (or else remain at a low level) for years to come. This means there will be fewer workers making contributions, but more retirees receiving benefits. In view of such projections, because of the improvement in mortality as well as the physical conditions of older people, and in light of wide-spread dissatisfaction with mandatory retirement, the proposal above can have a generally salutary impact both on the Social Security system and on the social and economic lives of the American people.

It is important to note that workers could continue to retire at earlier ages—62, for example—but with slightly greater actuarial reductions than at present, to take into account the longer period of time over which the beneficiaries could be expected to receive payments.

Under the proposal, the standard retirement age of 65 would be increased by three months (or one-quarter year) each year starting in 1990. By the year 2001, the minimum retirement age for full benefits would have been increased gradually to 68.

A gradual implementation of this change, with a starting date almost 15 years in the future, would give people sufficient time to plan for their retirement without severe disruption in any one year, and would permit management and labor to revise employment practices carefully and systematically.

(3) As noted earlier (on page 5), the long-range deficit in the OASDI Trust Funds would be reduced further by a permanent reassignment, starting in 1982, of a small portion of the Hospital Insurance tax rate. This redirected rate would equal 0.05 percent for workers and employers.

(4) To further strengthen the financing of the system in future years, contribution (tax) rates for employees, employers, and the self-employed would be increased by 0.5 percent in 1982, 0.3 percent in 1990, and 0.4 percent in 2000. Thus, the net addition to the presently scheduled OASDI tax rates over the next 75 years would be less than 1¼ percent on employees, employers, and the self-employed.

III. TAX TREATMENT OF WOMEN AND SEX DISCRIMINATION

The proposal would make four significant changes in the Social Security Act designed to improve the treatment of women and to remove remaining sex discrimination language.

First, the proposal would reduce from 20 years to 5 years the duration-of-marriage requirement for one spouse to receive a benefit based on the other's earnings record. Under present law, a divorced spouse retains auxiliary benefit rights only if the divorce occurs after 20 full years of marriage. Critics of the system long have contended that this requirement was unfair, arbitrary, and unrealistic in view of societal changes.

Second, the proposal would provide a new benefit—a "working spouse's benefit". Under present law a covered worker is always eligible for a benefit based on his or her own earnings record. But if the worker also becomes entitled to an auxiliary benefit, such as a spouse's benefit, he or she is entitled, in essence, only to the higher of the two benefits available. A number of working spouses (especially wives) have found that they would have been as well off financially, as far as Social Security benefits were concerned, if they had never left the home to enter the labor force. To alleviate this problem and to provide greater recognition of the employment record of a working spouse, the proposal would make the following changes:

1. A spouse who is eligible for an auxiliary or survivor benefit, who also worked under Social Security, could receive a new "working spouse's benefit", which would be equal to (A) the larger amount due either as a spouse or as a worker, plus (B) 25 percent of the smaller of the two benefits (but in

no event greater than the maximum primary benefit).

2. Any pension or benefit based on governmental employment not covered under Social Security would be considered as a primary benefit in determining the amount of the Social Security auxiliary or survivor benefit payable. (This change is designed to remove what amounts to a "windfall" benefit in some cases under present law. For example, if a wife worked under Social Security for her entire career, she would be entitled to a primary benefit based on her own earnings record. If her husband had worked exclusively under a state employee's retirement system, he would be entitled to a pension under that system and also might be entitled to an auxiliary (spouse's) benefit based on his wife's Social Security record. Inasmuch as auxiliary and survivors benefits are based more on social adequacy (or need) than on individual equity, the "windfall" situation described above is not one which the Congress contemplated when it provided for survivors and auxiliary benefits in the first place.)

3. The proposal would end the cutoff or reduction in benefits for widows or widowers who remarry. Under the proposal, benefits would not be terminated because of a beneficiary's remarriage or marriage at any age. Under present law, for example, a widow's remarriage before age 60, or a surviving divorced wife's remarriage at any age, will prevent entitlement to benefits unless the subsequent marriage ends. A number of persons, especially those living in retirement communities, have complained that current law requires them to "live in sin" in order not to lose Social Security benefits.)

4. The proposal also would amend the Social Security Act to remove all remaining sexually discriminatory language. (Example: The terms "husband's benefit" and "wife's benefit" would be replaced by one term, "spouse's benefit."

IV. UNIVERSAL COVERAGE

Universal coverage is a natural and desirable goal of any nationwide, mandatory social insurance system. Although about nine of every 10 American workers now participate in the U.S. social security system, it is increasingly difficult to justify to the "nine" why the "one" is not covered. This is especially true in view of the impact of the Social Security payroll tax on the incomes of contributors.

Public discussion of universal coverage has taken place for many years. It has long appeared that a large majority of Americans favor it, but no action has been taken by the Congress. Many difficulties—legal and administrative—have stood in the way.

But the latest Advisory Council on Social Security stated that despite these difficulties, "it is of great importance from the standpoint of assuring good protection for all workers on an equitable basis that all jobs be compulsorily covered under social security." The Council urged the Congress to move promptly toward that goal.

A major step in that diretcion would be mandatory coverage for all Federal workers. Integration of the Civil Service Retirement and Social Security systems would be an extremely difficult task, crossing jurisdictional boundaries of major committees in both the House and Senate, and involving many complex technical problems. But integration could be achieved, in an equitable way, within one year.

Therefore, an important objective of this proposal is the immediate enactment of legislation requiring the various committees of jurisdiction to work together over the next year and produce a workable—and equitable—plan for an integrated system, to become effective no later than January 1, 1979.

An integrated system would in no way prevent the continuance of the Civil Service Retirement system as a supplement to Social Security.

V. INSURANCE AND EQUITY STRENGTHENING

To strengthen the insurance character of the system and, at the same time, to provide greater equity, the proposal also would:

1. Eliminate the earnings limitation on beneficiaries. This is probably the most unpopular provision of the Social Security Act. More bills have been introduced to abolish the limitation than to make any other change in the system. During recent public hearings before the Ways and Means Committee's Subcommittee on Social Security, repeal of the limitation was the most widely discussed item. Witnesses pointed out that the limitation enforces the under-utilization of experienced older people and also encourages retirees to adopt artificial work and pay practices. Under this proposal, the limitation would be phased out over a 3-year period, by increasing the anual exempt amount of earnings to $5,000 for 1978 and to $7,500 for 1979, and by removing it entirely for 1980 and thereafter.

2. Freeze the minimum primary benefit at its current level of $114.30 per month, but at the same time increase, now and in the future, the special minimum benefit.

Freezing the minimum primary benefit follows a recommendation of the latest Advisory Council on Social Security, and is designed to lessen, and eventually eliminate, certain "windfalls" accruing to persons who work in covered employment for very short periods of time and thus acquire rights to the relatively large minimum, which has been weighted in favor of low-income workers.

In practice, a substantial number of Federal, state, and municipal government workers, outside the Social Security system, have either "moonlighted" or retired early from their regular jobs and worked under Social Security just long enough to obtain the minimum primary benefit.

Ironically, the minimum primary benefit was not established to help those short-term workers, but to assist other workers who had labored long under the system, at low wages. Recognizing that the minimum primary benefit was not serving its basic purpose, the Congress in 1972 added a "special minimum benefit" to better take care of the workers with many years of covered service at relatively low wages.

In so doing, the Congress did not change the minimum primary benefit, which continues to be of greatest value to those who need it least. This proposal would correct that anomaly by freezing the minimum primary benefit while improving the special minimum benefit.

The special minimum is now $180 per month for workers with at least 30 years of coverage. When the $180 figure was adopted in the 1973 Social Security Amendments (effective for March 1974), it was not made subject to the automatic adjustments for changes in prices; if it had been, it would now be $219.

Under this proposal, the special minimum would be increased to $219 in January 1978 and would be subject to automatic adjustment thereafter (as are all other benefits).

3. Provide that benefits for the disabled and survivors never could be based on a primary benefit in excess of the maximum primary benefit for a worker reaching minimal retirement age of 62 in the year of death or disability.

At least partly because of the technical flaw in the automatic-adjustment-of-benefits provision (discussed above), benefits to young and middle-aged beneficiaries may be unduly large—in some cases considerably larger than those awarded to older disabled persons or retirees with much longer earning records (and therefore with greater contribution payments). This disparity in benefit levels (which would be increased if no changes are made) has long been considered inequitable in a national social insurance program. The proposal would end that disparity.

PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF THE SOCIAL SECURITY SYSTEM

Impact on long-term OASDI Trust Funds' Deficit

Provision	*(Loss or gain) as percentage of taxable payroll*
Decoupling and wage-indexing based on pre-automatic-benefit-adjustment flaw	+4.50
Freezing regular minimum benefit and updating special minimum benefit	+0.07
Increasing the retirement age	+1.65
Limiting disability and survivor benefits to maximum retiree benefits	+0.02
Covering Federal employees	+0.10
Cutting marriage duration requirement for divorcees' eligibility from 20 to 5 years	−0.01
Removing benefit cutoff or reduction for marriage or remarriage	−0.05
Adding working spouse's benefit, with offset for other government pension	−0.45
Ending the earnings limitation	−0.20
3-stage tax increase and HI tax diversion	+2.13
Total Net Effect	7.76
Deficit under Present Law	8.20
Deficit under Proposal	−0.44

NOTE: The system is considered to be within safe actuarial bounds (sufficiently close to absolute balance) if the deficit is no greater than 0.50% of taxable payroll.

SHORT-TERM COST IMPACT OF PROPOSAL ON OASDI PROGRAM

[In billions]

Year	Contributions from Federal employees	Transfer of HI taxes	Increase in OASDI taxes	Cost of change in earnings test	Net cost effect
1978		$2.7		$0.4	+$2.3
1979	$4.0	3.0		1.6	+5.4
1980	4.2	3.2		7.0	+.4
1981	4.5	3.4		7.1	+.8
1982	4.8	1.2	$11.9	7.3	+10.6
1983	5.1	1.2	12.5	7.4	+11.4
1984	5.4	1.3	12.9	7.6	+12.0

ESTIMATED OPERATIONS OF OASDI TRUST FUNDS UNDER PROPOSAL FOR FINANCIAL RESTORATION AND EQUITY STRENGTHENING OF SYSTEM

[In billions]

Calendar year	Total income[1]	Total outgo	Net increase in funds	Funds at end of year
1977	$82.1	$87.7	−$5.6	$35.5
1978	93.5	97.7	−4.2	31.3
1979	107.6	111.3	−3.7	27.6
1980	117.6	126.5	−8.9	18.7
1981	125.8	136.5	−10.7	8.0
1982	145.0	146.4	−1.4	6.6
1983	154.6	156.4	−1.9	4.7
1984	164.6	166.4	−1.8	2.9
1985	175.3	175.8	−.5	2.4
1986	186.8	185.5	+1.3	3.7

[1] Including interest on invested assets.

Note: After 1986, trust funds balance is estimated to increase each year.

THE MINIMUM WAGE PROBLEM: A LABOR DAY PUZZLE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. BAUMAN. Mr. Speaker, the unemployment statistics released by the Department of Labor last Monday indicate that the ranks of the jobless are again increasing. Teenagers, and especially black Americans are finding it more difficult than ever before to become gainfully employed.

The House is soon expected to consider the so-called Fair Labor Practices Amendments of 1977 which will increase the minimum wage, among other things. While the intent of its legislative champions is noble, the bill to increase the minimum wage will make it that much harder for many Americans to find jobs. Economic studies have shown that in every case, the minimum wage law gives incentive to firms to hire only the skilled, experienced employees. Firms become less willing to hire the young, the new or unskilled workers or minorities. How this problem has grown, has been described in a most perceptive article by Mr. Peter Jay, one of the chief editorial columnists for the Baltimore Sun, in its September 7 issue. I include it in the RECORD for the benefit of everyone:

A LABOR DAY PUZZLE

This holiday just past has always seemed to have more than its share of frustrating aspects.

Usually, it's hot. Usually the traffic is heavy, the drivers ill-tempered, the highway air poisonous. It is not a long weekend from which travelers return rested and recreated. It has a perverse quality, hard to put one's finger on but quite certainly there, that makes it seem something less than satisfactory as holidays go.

This has something to do with the idea that it signals a return to work. We have come to equate Labor Day with the ringing of the bell at the end of recess. It is the last chapter of summer, the end of the time of the merry shiftless crickets. Ahead lies fall, the season of the industrious and totalitarian ants.

Labor Day begins a new year, in a sense. (A perfectly reasonable sense, one might add. The year might as well start in September as January. It already does for students, and, with Rosh Hashana, for Jews. It starts in February for the Chinese and on July 1 for those who collect and spend our taxes. There isn't anything special about January 1.)

But that is a digression. We were considering Labor Day and its frustrations, many of which are connected with work. It is a time when we find ourselves thinking about labor, whether or not we do any.

A job can be a nuisance or a bore if you have one. It can be something much worse if you don't. DeWayne Wickham wrote movingly in *The Sun* the other day about the difficulties of teenagers, even honor graduates, in finding work of any kind. The problem for black teenagers, as anyone knows who reads unemployment statistics, is especially acute.

But what are we doing about it? Not much that makes sense. And the odd thing is the extent to which there is agreement about that—among Democrats and Republicans, whites and blacks, liberals and conservatives.

Tomorrow, a Senate committee will start writing a new federal minimum-wage law; a minimum-wage bill is also on the fall schedule of the House of Representatives, and there will be action on it soon. It is virtually certain to raise the minimum wage from its current $2.30 an hour to $2.65.

Unions and liberals say that's good but not enough. Business groups and conservatives say it's bad but could be worse. But everyone (including the secretary of labor) agrees that it will eliminate some lower-level jobs—exactly the sort of jobs that unskilled teenagers might fill, and thereby get a foothold on the employment ladder.

It's clear enough why this happens. Let's say Pop's Corner Garage, with its budget precariously in balance, has hired Tom Teen at the minimum wage, full time, to pump gas and go for coffee. Tom gets $18.40 for an eight-hour day, $92 a week. (He lives at home, and even after withholding he can save a little of that.)

Now comes the increase in the minimum wage, to $2.65. That means Pop will have to pay Tom $21.20 a day—an increase of $2.80 a day, or $14 a week. That may not seem like much to a congressman, who gets over $1,000 a week whether or not he shows up at work, but Pop can't afford it; he only hired Tom in the first place because he liked him and appreciated his desire to learn something about running a garage. So he tells Tom just to come in four days a week. Tom's pay, before deductions, drops to $84.80, thanks to the higher minimum wage.

The same thing happens on a large scale at Amalgamated Monolith, Inc., except that bottom-level employees there are laid off entirely. The company buys more automated equipment, pays the people who operate it higher wages, and keeps within its budget. And the distance between those who have work and those who don't grows greater.

There is a lot of well-meaning talk about how the minimum wage oughtn't to be below the poverty level. ($2.30 an hour is $4,787 a year.) The poverty level is arbitrary, of course, but call it half the median income, which is where a lot of reformers place it. The median household income in the U.S. is about $12,500. That would make the poverty level $6,250. That, in turn, works out to almost exactly $3 an hour, which is what George Meany says the minimum wage should be.

This all forgets, though, that minimum-wage employees are not, as a rule, heads of families. And it forgets the impact on the job-seeking teenager. A $3 minimum wage may show compassion on the part of Congress and Mr. Meany for the working man, but it won't help Tom Teen down at Pop's. He'll just find himself working a 30-hour week, if he's lucky, and out of work if he's not.

That, in any event, was what one laboring creature, the head of a household and holder of a union card, found himself puzzling over during the Labor Day doldrums. Some things don't add up, and the minimum wage concept is one of them.

DISTINGUISHED WISCONSINITE PASSES AWAY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ZABLOCKI. Mr. Speaker, recently a distinguished community leader in my district, Vincent R. Shiely, passed away after an extended illness. At the time of his death he was president and chairman of the board of Briggs & Stratton Corp. of Milwaukee, Wis., the world's largest manufacturer of small gasoline engines. In 1959, he joined this progressive company as vice president and was elected to the board of directors in 1962. Shiely was a graduate of the University of Notre Dame and received a graduate degree from Harvard Business School.

While he had a successful and distinguished business career, I believe that the great services he performed in the community will be his outstanding remembrance. His association with the Wauwatosa Police and Fire Commission influenced his interest in the welfare of policemen and firemen. He was president of the Blue Coats Foundation, an organization that cares for widows and orphans of police officers killed while on duty. He was director of the Better Business Bureau of Greater Milwaukee; the Metropolitan Milwaukee Association of Commerce; a trustee of Marquette University; a board member and chairman of the lay committee of the Archdiocese of Milwaukee; and a member of the Greater Milwaukee Committee.

Vincent Shiely leaves such wonderful memories with his friends and acquaintances that I would like to insert an article from the Milwaukee Sentinel reporting his demise and his achievements in life.

To his wife Mary and the family I join with his many friends, associates and acquaintances in extending sincere condolences.

V. R. SHIELY DIES AT 56; BRIGGS & STRATTON CHIEF

Vincent R. Shiely, holder of the top three positions at the Briggs & Stratton Corp., died Monday at St. Joseph's Hospital of a malignant brain tumor.

Shiely, 56, chairman of the board, president and chief executive officer of the firm, underwent an operation for the removal of the tumor May 20.

He was released from the hospital in June but was hospitalized again last week. He would have been 57 Thursday.

JOINED IN 1959

Shiely, of 630 Honey Creek Pkwy., Wauwatosa, joined Briggs & Stratton as a vice president in 1959.

His career there was studded with promotions that saw him become a director in 1962, executive vice president in 1963, president in 1970, chief executive officer in 1972 and chairman of the board in July, 1976, when the firm employed as many as 9,000 persons in the Milwaukee area.

The firm is in the world's largest producer of single cylinder, air cooled, four cycle gasoline engines and automotive locks. In speeches, Shiely said his firm rose to the top because of its innovative product designs, cost reductions and service departments in 2,500 outlets worldwide.

BANKED ON QUALITY

Shiely, in a 1975 speech, criticized a magazine article that said his firm was "hiding its light under a basket." He said he preferred to let the quality of the firm's merchandise speak for itself.

The company and Shiely were forecasting a shortage of natural gas as early as 1973. They complained that there might not be enough energy to support the firm's growth, but their predictions also gave themselves enough time to provide for alternate fuel sources.

Shiely said he believed many firms soon would rely more heavily on electricity as a

power source, warning that Wisconsin could face an electricity shortage by 1982.

While the firm faced a financial slump and had major layoffs in 1975 due to a low demand for small engines, Shiely, who had always had his eye on future energy needs, predicted that the slump would pass soon.

At a time when many large firms have almost choked themselves with debts, Briggs & Stratton's books have remained in the black since it was listed on the New York Stock Exchange in 1929.

"He had vision and an overall view," said Frederick P. Stratton Jr., who took over the duties of president and chief executive officer while Shiely was ill.

"That's the kind of view you have to have and he certainly did," Stratton continued. "He had the ability to organize and build an organization.

"He was a very talented guy. He had an amazing memory. He knew the name of every major league baseball player that ever played the game. He knew every old vaudeville routine there was and he could do a lot of them, too," Stratton said.

Shiely was selected the sales and marketing executive of the year for 1973 by the Sales and Marketing Executives of Milwaukee. In 1972, he was given the brotherhood award of the National Conference of Christians and Jews for distinguished service to the Milwaukee area.

SERVED IN COMMUNITY

He also has been a director of the First Wisconsin Corp., Murphy Motor Freight Lines, the Better Business Bureau of Greater Milwaukee, the Metropolitan Milwaukee Association of Commerce; a trustee of Marquette University; a board member and chairman of the lay committee of the Archdiocese of Milwaukee, and a member of the board of the Greater Milwaukee Committee.

Survivors include his wife, Mary; two sons, John and Vincent Jr., both at home; four daughters, Mrs. Kenneth (Elizabeth) Petschel of Wauwatosa, Catherine of Wauwatosa, Maura of Steamboat Springs, Colo., and Judith at home; and a brother, Joseph, and two sisters, Mrs. Edward (Mercedes) Murphy and Gertrude Shiely, all of St. Paul, Minn.

CAPITAL GAINS TAX

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JACOBS. Mr. Speaker, I propose legislation to defer capital gains tax on capital stock investment transfers from one company to another within the energy field.

The proposal emulates existing capital gains deferral when one sells a home and reinvests in another home. This procedure, sometimes called rollover, retains in the new investment the capital basis of the preceding one.

Thus, as in the case of a home, eventual liquidation of investment in energy would mean capital gains tax on any gain over the cost of the original investment.

DEFINITION

An energy company would be a corporation which researches, develops, or produces energy or the means of harnessing energy.

RATIONALE

A capital gains tax on the sale of stock in an energy company is some restraint against that sale. That is just fine if the purpose of the sale is other than reinvestment. But, if the purpose of the sale is to invest in another energy company which might have a better idea or better management, then the capital gains tax is just a fine on energy efficiency. Repeal that fine on reinvestment and literally millions of Americans will be freer to invest in better energy development.

EXAMPLES

1. Person "A" owns an investment in oil company "X" where the management has grown soft, secure in the knowledge that "A" is "locked in" and cannot get out without paying the cost of leaving—a capital gains tax.

The proposed rollover unlocks "A" to transfer the investment to oil company "Y" where the management is efficient.

Result: Everybody but OPEC—and bad mangement—gains.

2. Person "B" owns an investment in oil company "X" and not only takes a dim view of its management, but also believes that, in terms of automobile fuel, amber waves of grain are the wave of the future—20 percent grain alcohol gasoline is already being sold in Nebraska.

The proposed rollover releases captive investor "B" to act on his judgment that the energy field includes the wheat field.

The proposed rollover unlocks "B" to sell his investment in oil company "X" and within 90 days reinvest all the proceeds in what Representative Martha Keys and I call Agrilene.

Result: Everybody—including farmers with surplus grain—except OPEC—and bad management—gains.

You can't tell, if enough energy investors vote with their savings, GM might even begin building wheatmobiles.

The answer, my friend, is growing in the wind.

CONCLUSION

Thoughtful economists theorize that the stock market would produce greater efficiency in a new enterprise if rollover treatment, hence greater mobility, were given to all transfers of investments in business.

What I submit is a modest experiment for that theory in the limited laboratory of our country's energy companies.

Energy gave mobility to America. Now the time has come for America to give mobility to energy investment.

PANAMA CANAL TREATY

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WHALEN. Mr. Speaker, the debate on the Panama Canal Treaty may well be the most crucial discussion that this Congress will undertake. The issue has received considerable attention in the press and Members just back from home need not be reminded that their constituents will be watching their actions closely. The issue is too momentous for anything other than calm, rational, and judicious debate.

It is in this spirit that I wish to direct my colleagues' attention to three articles that recently appeared in Washington area newspapers. The first, aptly titled "The Treaty Debate: Cutting Through the Rhetoric," was written by our distinguished colleague from Illinois (Mr. SIMON) and appeared in the Washington Post on August 30. It contains a convenient list of answers to most often asked constituent questions.

The second by a former Member, James Symington, is headlined "The Canal: Use, Not Territory, Is the Issue." In it, Mr. Symington discusses some of the history behind the original Panama Canal Treaty, which bears the name of his great-grandfather, Secretary of State John Hay.

The third article, by the noted columnist, William F. Buckley, is entitled "If Panama Were Led by Pericles," I urge my colleagues to take the time to peruse these perspectives on this issue.

[From the Washington Post Aug. 30, 1977]

THE TREATY DEBATE: CUTTING THROUGH THE RHETORIC

(By Paul Simon)

The headline in the Salem (Ill.) Times-Commoner reads: "Poll Indicates Salemites Oppose U.S. Giving Away Panama Canal." The sub-head reads: "Carter to Appeal to People For Giveaway Treaty."

Salem is the county seat of one of the large counties in my district, and if the question is posed in terms of "giveaway" as that newspaper posed it to the people in my district or anywhere else, the results will be the same.

But let me ask the question differently: "Do you believe this nation should follow the advice of U.S. military leaders on the only practical way to keep the canal open, a treaty with Panama?" My guess is that the answer might be different from the people of Salem.

We are not observing a movie with the villains on one side and the heroes on the other. We are making a fundamental decision about the security of the United States, and I hope enough of my colleagues in the Senate and the House—and enough of the people in the nation—will look at the hard facts, and make a decision based on them.

Here are a few questions and answers that I hope will be helpful.

What is our main interest in Panama?

It is to keep the canal open. While the canal cannot take the largest ships, it continues to be important to the United States and other nations.

Don't we have a treaty that gives us the right to stay there?

Yes, there is a treaty, but it is not one we can be proud of. As conservative columnist James J. Kilpatrick wrote the other day, it "is a matter of national shame." Panama was created as a nation (formerly part of Colombia) through a revolution with our indirect help. Fifteen days after the revolution, a French citizen seeking personal enrichment signed a treaty for Panama with the United States that gave us the Canal Zone. As a form of apology, a few years later the United States paid Colombia $25 million as a gesture of goodwill.

Interestingly, "The Great Commoner," William Jennings Bryan, who was born in Salem, Ill., and for whom the newspaper there is named, called our seizure of property in Panama "immoral." While creation of the canal was a great feat, the treaty itself is not one we can be proud of.

But even if the treaty were valid, that was more than 70 years ago, and we have to recognize that colonialism is now dead. We cannot take a strip of land through the middle of another country and expect that country to like it.

What do our top military leaders believe?

The new treaty is supported not only by the Joint Chiefs of Staff, but also both publicly and privately by all the top U.S. military people in Panama. I went there about 1½ years ago and met with Lt. Gen. McNair and all the top Army, Navy and Air Force people. I spent enough time with them to get their candid views. They feel that for us to fail to work out a treaty would invite the closing of the canal.

How many nations favor the United States' keeping the canal?

None.

The shippers have the most at stake economically. What do they favor?

The organization that represents the largest number of shippers favors a treaty. They recognize that without a treaty there may be no canal.

Doesn't Panama have a military dictatorship?

Yes it does, unfortunately. We have to deal with the facts as they are, not as we would like them to be. But it has been a stable regime. They have had fewer changes of leadership in recent years than we have.

Is there a danger that we would play into the hands of the Communists by having a treaty?

One of the persons I visited in Panama was the top Roman Catholic churchman, Archbishop Marcos McGrath. He said that nothing could play into the hands of the Communists and other extremists more than our failure to have a treaty. It is worth noting that in Panama the Communist elements now oppose the treaty. It is an interesting partnership. It is also interesting to note that the Republic of Panama does not recognize either the Soviet Union or Mainland China, and judging by that flimsy standard we are more of a "Communist" nation than it is.

Why would the canal be in danger if a treaty is not agreed to?

Earth slides now close the canal occasionally. More than 75 percent of the 13,000 people who work on the canal are Panamanians. Any one of them with a hand grenade can close the canal. The territory is tropical with terrain like Vietnam. If Monday-morning quarterbacks here believe we can keep the canal open despite the feelings of the people of Panama, they are living in a dream world. We could try, but it would mean the blood of Americans—including those from Southern Illinois—and Panamanians spilled needlessly. And the chance of success would be slim.

Why supports a treaty?

Among the supporters of a treaty are not only President Carter and former President Ford, but conservatives like Sen. Barry Goldwater (R-Ariz.) and columnist William Buckley and liberals like Sen. Hubert Humphrey (D-Minn.). There are, however, many who conscientiously oppose the treaty, and the vote in Congress probably will be close.

One final word.

Whether we like it or not, the United States is the leader of the Free World. If we take a position of refusing to give back their own land to the people of Panama by the year 2000, our effectiveness in leading the world will be hampered.

From any logical viewpoint, we should move ahead as our nation's leaders ask. But emotions are strong on this, and we will know in about six months whether the sensible answer emerges.

[From the Washington Post, Sept. 2, 1977]

THE CANAL: USE, NOT TERRITORY, IS THE ISSUE

(By James Symington)

Opponents of the new treaty with Panama have one very considerable advantage. They can win standing ovations. The best its supporters can expect to achieve is adequate reflection. It is easier to bring a crowd to its feet than to its senses.

A recurring theme of the opposition to the new treaty is that it is simply a device to advance the domestic position of the current Panamanian regime. This may well be one momentary effect of ratification, but it is most emphatically not the cause of the pressure for a new treaty. For Panamanians this is a popular cause that requires no self-seeking administration to keep it alive. It is a cause rooted in the circumstances surrounding the signing of the original treaty. That treaty was signed "for" Panama, but *against* the wishes and expectations of her true leaders of the time, by the Frenchman Phillippe Buneau-Varilla, that magnificent promoter, who exploited a nebulous commission to negotiate its terms with Secretary of State John Hay. Buneau-Varilla spent the remainder of his days in France, not in Panama.

In 1964 I met his grandson Phillippe, who was visiting in Washington. Since Secretary Hay was my great-grandfather, I suggested to Phillippe that we make a sentimental journey to Panama to see what our ancestors had wrought. "You could go," he laughed. "Me they would shoot."

Indeed, in a hurried effort to assume direct control of the negotiations, a Panamanian delegation made its way to Washington only to find on arrival that the treaty had just been signed. For a time that delegation insisted that Buneau-Varilla had exceeded his authority to act for Panama. But the resourceful Frenchman cabled the foreign minister of the fledging republic that Panama's failure to ratify would result in the suspension of America's intercession on behalf of her newly won independence from Colombia, and the likely conclusion of a canal agreement with the Bogota government. History provides few examples of formalities concluded by a newborn republic under greater duress.

Had France attempted to exact such a territorial concession from the Continental Congress on pain of removing her fleet, army and financial aid to the colonies, what would our answer have been? And had we acquiesced, how long into our nationhood would we have permitted the situation to endure? What steps would we have taken to correct it? Would they have been confined to the juridicial and diplomatic? These questions answer themselves. We would have marched, if necessary, into the disputed territory and defended the action before the world as just and proper in the light of circumstances. Perhaps we could have bought it back in the Louisiana Purchase or another transaction. The point is that our options would have been open—money or force.

Panama has never had much of either. And the difference, it may be noted, is not in principle, but in power. So a succession of Panamanian governments has asked ours to conclude a new treaty more consonant with their national dignity.

Fifteen years ago, I met with Panamanian students in Panama and later in the Alliance for Progress Charter conference in Uruguay. They asked if there might not some day be a disposition on the part of our government to return the trappings, at least, of sovereignty over the Canal Zone to Panama. They were not belligerent, but wistful. Young Central Americans, as it were, for freedom, they pointed out that the Colombian Senate had rejected a treaty that was far less onerous than the one we wrung from Panama, whose anxious government had no recourse but to placate the sentry standing watch over the birth of their nation.

Generations of young Panamanians have been preoccupied with the same concern. They need no dictators to whet their yearning. It began long before the incumbent regime took office and would continue long after its passing. Nor will the Torrijos administration, or its successors for a generation, enjoy the full benefits of the renegotiation. Those years can and should be great years of change and opportunity—change in the technology of ocean-going transport and canal construction, and an opportunity to prepare and conclude arrangements with Panama and other nations that meet the future in peace and mutual cooperation. Such arrangements would include proper provision for the rights of U.S. citizens in the Zone.

Much opportunity stands to be lost by failure to ratify. In our unfolding confrontations with other world powers, we will very much need the firm friendship and support of our sister republics in this hemisphere. Our relationships with each of them will be profoundly affected by this decision—this evidence of our willingness and our ability to make a concession that no force but the forces of conscience and reason could evoke.

Hear the words of Hay in a letter urging a senator not to slow the proceedings leading to ratification of the old treaty. The treaty, he wrote, was "very satisfactory, vastly advantageous to the United States, and we much confess, with what face we can muster, not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

Hay's words were prophetic. Panama's patriots did object then. They object now. If we persist in confining the expression of their objection to extra-legal activities, we can pride ourselves on a stern adherence to international law. We might even be able to prevent such activity from jeopardizing our use of the canal, albeit with some anxious moments, and at a certain cost that could make us nostalgic for the negotiated annual payments. But if our forces should prove unequal to the task of maintaining the serene use of that 50-mile waterway through a hostile land, we may lose the thing we most desire. For it is not the territory but the use that matters to us, a use that the new agreement guarantees, to the extent words on paper can guarantee anything, as effectively as the old.

Of course, there are no absolute or permanent guarantees in the uncertain course of international events, changing conditions and emerging ambitions. And history adamantly refuses to reveal its alternatives. So a nation, like an individual, must rely on its intuition and best judgment. The judgment of two Presidents, heading opposite parties, but our one nation, is that we are more likely to enjoy the secure and peaceful passage through the canal over its useful life through a prudent and generous spirit than a tenacious insistence on provisions we dictated to an infant republic. They ask for our support. They will have it, I believe, if we take to heart the lesson of a great Latin American, the immortal Benito Juárez of Mexico. "Respect for the rights of others," he wrote, "is peace."

[From the Washington Star, Sept. 8, 1977]

IF PANAMA WERE LED BY PERICLES

(By William F. Buckley, Jr.)

Seven leaders of Young Americans for Freedom, questioned on the opposition of their organization to the new Panama Canal treaty, seemed to agree on one point which, I think, will prove critical in the discussions ahead. They were asked: "If the revised treaty had resulted from an American initiative rather than a Panamanian initiative, would you alter your position on it?" Most seemed to agree they would. That is to say, that other considerations were relatively insignificant by comparison. What matters most is the symbolic act: We are being pushed around.

General Omar Torrijos figures prominently in this act of international theater. He is out of Central Casting as the Guy We Would Least Like to Do a Favor For. He is an unsmiling left-wing tyrant who has expressed admiration for such characters as Fidel

Castro and the mad Qaddafi of Libya. He is a specialist, at home, in obliterating the opposition, whom he dispatches by the neat expedient of taking their property and booting them out of the country.

If the leader of Panama were the man who serves as its President, Demetrio Lakas, rather than Torrijos the Caudillo, the situation would very likely change substantially. President Lakas was educated in Texas, speaks as idiomatically as Lyndon Johnson and almost as colorfully, and brims over with pro-Americanism and a deep distrust for Communism. Ask not why therefore he associates himself with Torrijos. That is the way in Spanish politics, and the way, if less so, in non-Spanish politics—not everybody associated with Hitler was evil.

But here is a point that ought to be considered. The protests against American occupation of the Canal Zone antedated the ascendancy of Torrijos. It is certainly true that Torrijos has continually identified himself with the anti-Canal rioting. It is not true that he instigated that rioting (in 1964 he was an insignificant military officer). Nor is it true that his own tyrannical habits and his own ideological predilections have anything to do with the feeling of the Panamanian people toward the Canal Zone. If Panama were led by Pericles, the popular fever about the Canal Zone would be unchanged; and why not?

Within a country, there are grounds for being especially strict in discouraging civil disobedience. As between countries, particularly where there is a volatile tradition, it doesn't always go that way, and we are no exception. When we felt ourselves maltreated by the British, we engaged in acts of sedition against the crown at least the equivalent of the riots engaged in by the Panamanians. American non-jingoists (and that ought to embrace all American conservatives) are required to ask themselves the question: How would we, if we were Panamanians, express ourselves in the matter of the Canal?

Now, Panamanian resentment of U.S. occupation of the Canal Zone is no more an argument for U.S. evacuation, than Cuban resentment of occupation of Guantanamo is an automatic argument for U.S. evacuation. What it is is a single factor. But it is no less a factor because that indignation brought on discussions between representatives of Panama and representatives of the United States: Yet it is this point that, above all others, Governor Ronald Reagan continues to stress.

The United States presumption should always be that we do not want to remain where we are not wanted, but will do so if considerations of national security require it. And considerations of national security not only do not require our presence in the Panama Canal under the present arrangements, they argue against our presence in the Panama Canal under the present arrangements.

The reason for that, tirelessly put forward, is that the Canal is at the margin indefensible. But the chances of defending it against sabotage are greatly increased with the cooperation of Panamanians.

We should, then, be as angry at the Panamanians who assaulted the Zone in 1964 as we are at our forefathers for harassing the British in Boston 200 years ago. There is no reason to deny others those urges we feel so strongly in ourselves. Ours must be the cool, deciding voice. But it must not be governed by petulant considerations.

A POSITIVE APPROACH FOR BUSINESS IN ENDING MANDATORY RETIREMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. FINDLEY. Mr. Speaker, it is always heartening when members of the business community of this Nation and those professionals who serve them take a forward looking approach to ending mandatory retirement. A recent article in the Harvard Business Review, by University of Houston Prof. Betsy D. Gelb, advises businessmen on how to benefit from legislation that would raise the age of mandatory retirement. The article shows that with a little thought and effort a better system can evolve when American employers no longer use the lazy man's personnel policy of mandatory retirement.

Text of the article follows:

WHEN COMPULSORY RETIREMENT AT 65 IS ENDED

Sometime in the future, when Congress or the Supreme Court bans forced retirement at the age of 65, it should be no surprise. Movements on two fronts have made the overturn of this policy likely, if not inevitable.

The first front is legislative. Bills to outlaw mandatory retirement have been introduced in Congress and in three state legislatures; in all these bodies the measures have gained wide support. A former director of the Social Security Administration, Robert M. Ball, has advocated three years' postponement, by law, of the age for receiving benefits; he and others maintain that change is necessary because pensions simply cost too much. Former Treasury Secretary William E. Simon has called for raising the retirement age to avoid bankruptcy of the Social Security system.

The second front is legal. One lawsuit to overturn an age-specific retirement policy won support from the American Medical Association, which stated in its "friend of the court" brief that no evidence shows older workers to be less efficient than younger ones.

A 1974 Supreme Court decision may be a basis for a court challenge of age-specific retirement plans. In ruling that the Cleveland school district could not force a teacher to take maternity leave in a particular month of her pregnancy, the Court held that the policy amounted to "a conclusive presumption of physical incompetency [which] applies even when the medical evidence as to the individual woman's physical status might be wholly to the contrary."

If a worker is entitled to scrutiny of her capabilities before she is obliged to take maternity leave, the retirement policy implications are not hard to imagine. Arthur S. Flemming, U.S. Commissioner on Aging, asserts that a forced retirement at a set age stands "in direct conflict with our Judeo-Christian concept of the dignity and worth of each human being."

The chief justifications for obligatory retirement at a certain age are the terrible difficulty of deciding whom to retain and whom to let go, and the need to make room for younger employees. Yet it is by no means unknown for companies to overcome these arguments; few of the employees of U.S. Steel, for instance, are subject to compulsory retirement rules. Most of the employees may continue working as long as they can pass annual medical examination adjusted to the demand of their jobs.

Managers who want to prepare for a decision that appears likely, if not inevitable, face two allied questions: What would a change mean to my organization? What steps should we be taking now?

SOME CONSEQUENCES

Although the retirement age may simply be moved back, a more likely possibility is prohibition of age as a legal basis to retire someone, fail to hire, or discriminate in leave, compensation, or promotions.

How, then, will it be possible to retire an employee? In the overwhelming majority of situations, it will be possible because he or she wants to retire. Where the organization's action is challenged, it will probably be obliged to demonstrate that a worker, or all workers of a certain age, can no longer perform their duties adequately. In the laws now protecting workers between 40 and 65, discrimination is permitted only if age is a bona fide job qualification necessary to normal operation of the particular business.

Most organizations will choose to make retirement desirable. A generous and flexible pension plan sets a low "price" on giving up a salary. But price is only one consideration for the person in his or her 60s "buying" retirement. Others are:

The quality of the product—in other words, will I enjoy retirement? Influencing the answer to that question are tangibles like company sponsorship of retirement clubs with stimulating activities and intangibles like the status accorded retirees who return for visits.

The desire to discover what it's like before plunging in. The Swedish government offers workers the opportunity of tapering off work gradually between the ages of 60 and 70. Business in the United States might well initiate this policy on its own. Many women with young children want part-time school-hour jobs. A possible procedure is to employ one of them in the mornings and someone approaching retirement in the same job after noon.

When retirement is "marketed" in this way the competition is the job—its status, salary, and the feeling of usefulness it provides. When that combination of benefits outweighs the benefits of retirement in the worker's mind, that worker will retire only if the organization can force him or her to do so.

Such situations will require the organization to demonstrate that this individual or a certain age group cannot perform the duties of the job. When the required capabilities are unclear, management obviously must find out.

Once the organization has established good measures of the capabilities needed for its various jobs however, it should be able to retire some workers *earlier*. No longer must it retain employees who have lost their productivity and drive in their late 50s or early 60s, but who are kept on because today's special pressures and union contracts make it difficult to force them out.

Moreover, management may discover that in fact most of its workers in their 60s have the necessary capabilities and should stay. The result may be a significant saving in recruiting and training costs and, if the average worker continues to work until age 70 or later, a decrease in contributions to the pension fund.

FIRST STEPS

While contemplating the possible overturn of retire-at-65 policies, the organization may consider measures that can be implemented immediately. Those I am suggesting, it

should be noted, are useful even if present policies are upheld. Suggested actions are:

Look at the retirement "product" offered to workers in your organization and see how likely you would be to "buy" if you didn't have to. Then improve it. Consider part-time jobs for retired workers. Discounts on company products are another possibility, obviously more relevant for major household appliances than for, say, shoelaces.

If the organization has no retiree-relations staff, you may want one. But its performance should be measured on dimensions that matter: how many prospective employees mention that a retiree recommended your company, or how many retirees support, not oppose, a company request for a zoning variance. (Retirees have the time to go to public hearings and to back the organization they worked for—or picket it.)

Consider the merits of a gradual retirement plan: easing the shock of retirement and the chance it offers to obtain the "best four hours," perhaps, of a worker's day, whether the worker is 60 or 68.

Develop a group that builds expertise on the subject, including industrial engineers, doctors, psychologists, supervisors, union representatives, and some recently retired workers. You may have to prove in court what capabilities are required for every job in your organization. Even if such a challenge never comes, you will still benefit if capable employees can be retained beyond 65.

SOCIETAL CHANGES

Not only the organization, but the entire society in which retire-at-65 is no longer the rule will be radically changed. A few examples may indicate the range of effects:

People over 65 will have more money, whether they stay on the job or because pension plans are "sweetened" to lure them into retirement. They will become a more desirable market; the industries most likely to benefit include travel and home-maintenance services like contract lawn fertilizing and house painting.

The creation of a significantly higher proportion of part-time jobs as more employees ease into retirement will greatly spread commuting and other activities over a greater part of the day.

Retirement communities will be forced to compete with the attractions of staying on the job. Possibly many of them will choose to join the trend, rather than fight it, and locate within commuting distance of major metropolitan areas.

Obviously, the design and funding of pension plans will be not just a new ball game but a sport with a new set of rules. What will the flexible program of the future look like? It's impossible to say, but the last person who should even consider retiring at 65 these days is an actuary.

TESTIMONY BEFORE INTERNATIONAL TRADE COMMISSION ON SPECIALTY STEEL IMPORTS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. WALSH. Mr. Speaker, I would like to share with my colleagues testimony I delivered this week before the International Trade Commission during a hearing on whether the current import quotas on specialty steel should be maintained for 2 more years or not.

Following are the reasons I gave for why the quotas should remain in effect:

TESTIMONY OF REPRESENTATIVE WILLIAM F. WALSH

Gentlemen, I am William F. Walsh. I represent the 33rd Congressional District of New York in the United States Congress, and I am here today to testify in favor of the retention of existing import quotas on specialty steels.

I have a special interest in this issue. My district includes the Crucible Specialty Metals plant in Syracuse. This facility has been one of those hard-hit by the strong import pressure that has plagued the nation's specialty steel producers. On January 16, 1976, some 1,300 persons at this plant were certified to receive trade adjustment assistance as a result of import pressure.

It is because of those workers that I am here today. And I think that it might be best for me to let one of those workers speak about his personal concerns through me.

I have here a letter to me from Anthony M. Pascarella, president of United Steelworkers Local 1277—the local whose members work at the Syracuse plant. I quote:

"As a steelworker, and president of Local 1277 of the United Steelworkers of America, I am deeply concerned over the government's consideration of loosening or removing present import restrictions on foreign specialty steels.

"As you know, the steelworkers and their union fought long and hard in conjunction with industry leaders to get import restrictions imposed. I am sure you are well aware of the fact that when import restrictions were imposed, steel importers filled their warehouses in anticipation of the government's action. Therefore, the present restrictions have not been in effect long enough to determine their impact on the steel industry or on our foreign competitors.

"My concern, however, is not basically business or industry oriented, but lies primarily with the welfare of the people I represent—the steelworkers. To us, import restrictions mean jobs and job security. The steel industry has not yet recovered from its business slump, nor returned to employment levels prevalent in 1974 and early 1975. In fact, the entire industry is still in a state of depression. It has been our hope that import quotas should be imposed long enough for concrete import agreements to be negotiated with foreign countries. This, we feel, would eliminate unfair competition which, in turn, deprives us of employment. When the steel industry suffers, so do the steelworkers. Modifying or removing present import restrictions would cause us to suffer, and not only on a short-term basis, but one with long-term ramifications affecting all of us.

"We work hard to produce a highly technical product where quality is not only desirable, it is imperative. We take a great deal of pride in our workmanship and our productivity. We do not want our jobs given to the employees of our foreign competitors.

"As our representative, and on behalf of all the members of Local Union 1277, I am requesting you to take whatever action is necessary, including direct contact with President Carter, to see to it that the jobs of the American steelworkers are protected."

This letter summarizes far more than I could the anxiety of these proud, talented Americans whose very livelihood and future is threatened by what I feel could be a premature removal of protection needed to allow their industry to recover from previous flooding of U.S. markets by imports.

As I noted, trade adjustment assistance has been granted to 1,300 persons at Mr. Pascarella's plant. Another 2,400 employees at two Allegheny Ludlum plants in Upstate New York also have been granted trade adjustment assistance, and overall, between November, 1975, and March, 1977, more than 23,000 specialty steelworkers were granted trade adjustment assistance. I think these people have a right to protest.

Why are the quotas being reconsidered after being in effect for only one year? A May 24, 1977, Wall Street Journal article reported:

"The presidential action on specialty steel is a direct response to pressure from Western European governments. Early this year, they strongly protested the quotas, which apparently were hurting the European steel industry more than anyone had anticipated."

Gentlemen, in every other country but our own, steel is a direct instrument of national policy. They want to export their potential steel unemployment to the U.S.—at the expense of potential unemployment among American workers—so that our specialty steel companies are competing against foreign governments.

A closer look at the international trade environment in specialty steel shows we are dealing with technically-oriented companies. They produce complex and "exotic metal" steel alloys which are made into key components used in the energy, chemical, automobile and the aerospace industries. They also have critical defense applications.

American specialty steelmakers are the acknowledged technological leaders—in the development of new production processes as well as in the development of new products. This fact was acknowledged by foreign representatives who testified at the first ITC hearings.

Our specialty steel industry also produces a profit domestically, but nearly every major foreign specialty steel producer in the world lost money last year—and is continuing to lose this year. British Steel Corporation, owned by the government, is losing one million dollars a day.

Our specialty steel producers must operate under laws which stimulate competition, but foreign producers do not. The Swedish government is currently promoting a program of "rationalization"—in order to reduce competition. The Japanese openly speak of cartels—and implement them. All of these practices would be illegal under American law.

Despite the current world recession, foreign specialty steel capacity has been expanding—and despite their lack of markets, foreign specialty producers have been holding their production in certain products near the record levels of 1973–74—when there was a world-wide shortage of steel.

Gentlemen, in any area you choose, our specialty steel producers can hold their own against anybody in the world—given equal terms of competition. But the terms of competition are simply not equal.

If we eliminate present specialty steel quotas, we will be subsidizing continued employment abroad at the expense of greater unemployment among our own specialty steel workers.

We will be hurting ourselves by making it impossible for a domestic industry to produce the specialty steels needed for many vital industrial and defense applications—products that foreigners will not produce for us because it is not profitable for them to do so.

We will be destroying an invaluable resource—a labor pool of highly skilled, highly motivated workers who will not be available if and when we ever need them again.

We must retain the current specialty steel quotas for their full three-year term.

We must give our producers a chance to

get on their feet and recover from the depredations of the past.

We must, while quotas exist, take those steps necessary to eliminate the unfair abuses that make quotas necessary.

We must help our American workers keep their jobs.

MIXED EMOTIONS EXHIBITED BY COUGHLIN CONSTITUENTS ON ENERGY OPTIONS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. COUGHLIN. Mr. Speaker, in disclosing the results of my annual mail questionnaire poll, I think the views of my constituents in Pennsylvania's 13th Congressional District on some of our key energy issues are most revealing.

In short, they have displayed mixed emotions on Government regulation and industry responsibility. The results, compiled from responses before a July 31 deadline, represent their opinions before the House of Representatives passed a so-called energy bill. In many respects, their assessments of how to handle our energy dilemma reflected the conflicting and sometimes contradictory approaches in the House.

As is my custom, I also will share the results of this poll with the President and his staff.

In expressing their views on our energy situation, my constituents soundly rebuffed a gasoline tax as a means of curtailing consumption while a majority approved of a "gas-guzzler" tax.

By a 1-percent plurality, those answering approved of delaying pollution controls as proposed by automakers who feel it is needed to produce more efficient cars and trucks. They, however, by a solid majority want pollution controls delayed to permit utilities to convert to coal more quickly and at less expense.

On one hand, my constituents favor the Congress deregulating natural gas wellhead prices to try to prevent shortages, but feel that major oil companies should not be permitted to provide investment dollars for and control other energy firms.

I asked constituents specifically if they basically believe the energy crisis is a ripoff by oil and gas producers and if Government should become further involved in regulations and producing energy. By 3 percent, a plurality said "yes."

In stimulating the economy, a clear majority opposed additional job creation at this time by the Government through more spending with the resultant increase in the national debt. Of those who answered in the negative, many wrote suggestions in the space provided with the most prevalent comment relating to incentives for businesses, corporate tax reductions, and similar proposals.

Other views included curtailing foreign imports, particularly cars; ending foreign aid, and enacting a wage-price freeze.

The difficult problem of protecting the integrity of the social security fund was mirrored by the fact that one of three persons responding could not decide on replenishing the fund with general revenues from the Treasury or by raising social security taxes. The variety of responses indicated there is much confusion as to how the fund is maintained and for what purposes it is used.

In other questions, a majority of constituents answering felt our present military posture is adequate to meet our needs and present defense spending should be continued.

A split developed on the level of President Carter's "human rights" emphasis on foreign policy. While a plurality feels it poses unacceptable risks and should be modified significantly, this total was only 3 percent more than those who believe it is essentially correct and should be pursued vigorously.

A clear majority favors continuing the United States military and naval presence in strategic areas of the world such as Europe, South Korea, and the Middle East.

On the issue of tax credits for education, my constituents view aid to parents for costs of college, university, and technical school tuition differently from aid to nonpublic and parochial elementary and secondary school tuition. Seven out of 10 favor the higher education aid while a slim plurality oppose the nonpublic school aid.

The problem of congressional credibility clearly is seen by the fact that only one out of three persons felt that U.S. Representatives and U.S. Senators should be paid as much as Federal judges and executive branch employees such as the White House press secretary. Forty-three percent said they should not be paid as much.

These questionnaires, as has been my yearly practice, were mailed to every household, apartment, and boxholder in the congressional district to assure as wide a participation as possible. I also will continue my custom of mailing copies of the results to constituents.

In tabulating the responses, my staff weighted the returned questionnaires by ZIP code. This helped insure the accuracy of answers by not giving undue influence to any particular community or area. The procedure showed virtually no difference in the sentiments of constituents in the Montgomery County and Philadelphia portions of the district.

More than 12,500 individual responses were received before the deadline, an increase of some 2,000 over last year. Thousands of other responses were received after the deadline, but could not be included in the tabulation:

QUESTIONNAIRE RESULTS

1. To stimulate the economy, do you believe additional jobs should be created at this time through more government spending with a resultant increase in the national deficit?

[*In percent*]

Yes	22
No	72
Undecided	6

2. If your answer to Question 1 is "no", please explain briefly how we should create more jobs?

(Space provided for additional comments.)

3. Both President Ford and President Carter have cited the urgency of the energy crisis and proposed a number of significant changes.

A. Should Congress enact President Carter's proposed escalating gasoline tax in an effort to curtail consumption?

[*In percent*]

Yes	28
No	67
Undecided	5

B. Should Congress enact a "gas guzzler" tax on purchases of cars with low gasoline mileage and provide rebates on cars with high mileage?

[*In percent*]

Yes	53
No	43
Undecided	4

C. Should we delay pollution controls as proposed by auto makers who claim it is necessary to produce more fuel efficient cars and trucks?

[*In percent*]

Yes	47
No	46
Undecided	7

D. Should we delay pollution controls to allow utilities to convert from oil and gas to coal more quickly and at less expense?

[*In percent*]

Yes	64
No	30
Undecided	6

E. Granted there would be some increase in consumer costs, should Congress deregulate natural gas wellhead prices to try to prevent shortages?

[*In percent*]

Yes	56
No	33
Undecided	11

F. Should we allow major oil companies to provide investment dollars for and control other energy firms such as coal and nuclear?

[*In percent*]

Yes	34
No	57
Undecided	9

G. Do you believe the energy crisis is basically a rip-off by oil and gas producers and that the government should become further involved in regulating and producing energy?

[*In percent*]

Yes	42
No	49
Undecided	9

4. The Social Security System is now an insurance program into which employers and employees in their working years pay money to provide benefits later on retirement. Because of the number of elderly and the amount of benefits, the Social Security Fund is low. Should the Fund be replenished: (one only)

[*In percent*]

From Treasury's general revenues, thus making Social Security a welfare-type program	23
By increasing Social Security taxes, thus continuing the program on an insurance basis	41
Neither (specify)	36

5. With publication of conflicting reports on Soviet military strength, which best reflects your opinion of the United States' present military posture? (one only)

[*In percent*]

More than adequate to meet our needs—cut defense spending	20
Inadequate to meet our needs—increase defense spending	24

Adequate to meet our needs—maintain present defense spending ---------- 56

6. Do you think that the level of President Carter's "human rights" emphasis on foreign policy is: (one only)

[*In percent*]

Essentially correct and should be pursued vigorously	40
Posing unacceptable risks and should be modified significantly	43
Undecided	17

7. Should the United States phase out its military and naval presence in strategic areas of the world such as Europe, South Korea and the Middle East?

[*In percent*]

Yes	25
No	64
Undecided	11

8. The House of Representatives consistently has refused to permit a vote on my legislation to provide tax credits for education.

A. Do you favor legislation to grant tax credits or deductions to parents for costs of non-public and parochial elementary and secondary school tuition?

[*In percent*]

Yes	47
No	49
Undecided	4

B. Do you favor legislation to grant tax credits or deductions to parents for costs of college, university and technical school tuition?

[*In percent*]

Yes	70
No	26
Undecided	4

9. Should U.S. Representatives and U.S. Senators be paid as much as Federal judges and Executive Branch employees such as the White House press secretary?

[*In percent*]

Yes	33
No	43
Undecided	24

[*In percent*]

Party preference of those responding:	
Republican	63
Democrat	21
Non-partisan	14
Other	2

[*In percent*]

Ages of those responding:	
18 to 21	1
21 to 35	21
35 to 50	25
50 to 65	34
65 and over	19

AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. HAWKINS. Mr. Speaker, later this month the House of Representatives will consider H.R. 5383, the Age Discrimination in Employment Act Amendments of 1977. The major provisions of the legislation include extension of the upper age limit of protection for non-Federal employees from age 65 to age 70; abolition of the upper age limit for Federal employees and clarification of the exemption for bona fide retirement and pension plans under current law to prohibit involuntary retirement at an age less than the protected age under the act.

Over the course of the past few years the courts have been divided on the interpretation of the legislative history associated with the bona fide retirement exception. The controversy centers around section 4(f)(2) of the ADEA which permits an exception by making lawful "to observe the terms of a bona fide seniority system or any bona fide employee benefit plan . . . which is not a subterfuge to evade the purpose of this act." The legislative history shows that the purpose of this exception was to encourage the hiring of older workers by permitting their employment without necessarily providing them with exactly the same pension, retirement, or insurance benefits which are afforded to younger workers. During the Senate debate, Senator YARBOROUGH, the manager of the bill, stated, "This will not deny an individual employment or prospective employment but will limit his rights to obtain full consideration of the pension, retirement or insurance plan."

Later this fall the Supreme Court will hear the McMann against United Airlines case which deals with the question of involuntary retirement prior to the age 65 under a bona fide retirement plan. Recently, the New York Times carried an article describing the circumstances surrounding McMann's suit. The article follows:

[From the New York Times, Aug. 30, 1977]

FOUR YEARS AFTER AIRLINE EMPLOYEE WAS FORCED TO RETIRE, HIS PROTEST GOES BEFORE SUPREME COURT

WASHINGTON, August 29.—It didn't seem right to Harris McMann when United Airlines, his employer for nearly three decades, insisted in 1973 that he retire.

His health was good. He enjoyed his job. He saw no reason for suddenly ending his working years. No reason except his age, 60.

Four years later, the former pilot's legal protests against what he views as simple age discrimination are at the center of a Supreme Court battle.

The nine justices will decide this winter or next spring whether Mr. McMann's rights were violated when he was forced to retire. The case may affect more than 11 million Americans who the Labor Department says are members of pension plans that require retirement before age 65.

"I've been accused of being stubborn," Mr. McMann conceded with a grin in an interview at his comfortable home in Fairfax, Va., a Washington suburb. "And I guess I am."

He said he began working for United in Chicago as a copilot in 1944 at the age of 31 and held various jobs with the company over the years, finally taking on a management post. In 1964, after previously declining to join an employee pension plan, he began thinking more about future security and signed up.

The card he signed noted that the "normal retirement age" for employees in his classification was 60. But Mr. McMann said the realization of what that meant did not hit him until about a year before his 60th birthday.

"I was enjoying good health," he said. "I was enjoying my work and wanted to continue on. I didn't really have anything particular to do."

REMEMBERS HIS FATHER'S EXPERIENCE

One thing that prodded him to fight forced retirement was the experience of his father, a banker who was required to step down at age 70.

He had been active in his work, having "contacts with people, going places and making decisions," Mr. McMann said. "Then all of a sudden this terminated and he didn't know what to do with himself.

"He wasn't a man who had a lot of hobbies. His employment was his hobby. It got to the point where he didn't have the motivation to be active. He ended up sitting at the dining room table with his head in his hands and just deteriorated."

That experience reflects findings of an American Medical Association committee report, cited in Mr. McMann's Supreme Court case. It said the mental and physical health of many people was seriously hurt by the "loss of status, lack of meaningful activity, fear of becoming dependent and isolation" that may accompany involuntary retirement. And it noted that suicides reach a peak in upper age brackets, 70 years and over, after retirement normally occurs.

Francis McBride, a 26-year-old graduate of the University of Virginia law school, became Mr. McMann's lawyer.

After exchanging letters with a company official, who ruled out an exception for Mr. McMann, the young lawyer instituted grievance proceedings. They lost, but the arbitrator, Archibald Cox, the former Watergate special prosecutor, noted that redress might be sought under the Age Discrimination in Employment Act of 1967.

The law prohibits age discrimination in hiring and dismissal of employees 40 to 65. But it also says: "It shall not be unlawful for an employer to observe the terms of any bona fide employee benefit plan such as a retirement, pension or insurance plan, which is not a subterfuge to evade the purposes of this act."

Mr. McMann filed suit in Federal District Court in Alexandria, Va., on Jan. 31, 1975, Judge Albert Bryan Jr. dismissed it after United argued that Mr. McMann was retired under a bona fide employee benefit plan of the type exempted in the law.

He went next to the United States Court of Appeals for the Fourth Circuit in Richmond, where the Labor Department filed a "friend of the court" brief supporting him. A three-judge court ruled in his favor Oct. 1, 1976, saving any pension plan that contains a provision for mandatory retirement before age 65 must be presumed "a subterfuge to evade the purposes of the act.

COURT RULED PLAN A SUBTERFUGE

But United announced its intention to appeal to the Supreme Court, and on Feb. 22 the justices agreed to review the case in the term beginning this fall.

Mr. McMann is spending the summer waiting, doing some "freelance" flight instruction and taking care of personal affairs.

He may turn 65, and be beyond the scope of the Age Discrimination Act, by the time the justices rule on his case. This means he could no longer hope to win reinstatement to his job, but he might receive instead a substantial amount of back pay to make up for lawyer's fees and the time and energy he has put into his personal "gamble" in court.

"To me, I look at it and say this is illogical, this is an injustice, this is social policy that should be done away with," he said. "This is the only way available for me to change it."

He noted that legislation was pending in Congress to give the Age Discrimination Act broader impact.

Even if he should lose in the Supreme Court, he said, he feels sure that the law and changing times will end involuntary retirement.

"I believe the time has come that people are beginning to realize that this is a form of discrimination."

AMERICOLOGY, MILWAUKEE'S PLAN FOR RESOURCE RECOVERY

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. REUSS. Mr. Speaker, during the August district work period, I had the opportunity to tour the city of Milwaukee's new resource recovery facility, Americology.

The facility is the result of an agreement signed on January 16, 1975, between the city of Milwaukee and the American Can Co., under which the company would design, construct, finance, and operate a 1,500-ton-per-day recovery facility which would process all of the city's and its surrounding area's solid waste.

The plant began operations in January of this year, and it is now processing over 60 percent of Milwaukee's waste. Presently, the facility is recycling waste into reusable ferrous and nonferrous metals, glass, and energy. In fact, Americology produces six units of energy for every unit of energy it consumes.

The plant uses a variety of equipment to isolate recoverable and recyclable materials. The refuse is first shredded, then separated in an air classifier, and then further processed through magnetic and electromechanical devices. Products recovered through these techniques will be sold by Americology for use as recycled raw materials and fuel.

On an annual basis, given the minimum 250,000-ton input which the facility will handle, the following valuable resources will be recovered for sale and reuse: Fiber fuel, 137,500 to 162,500 tons; ferrous metals, 12,500 to 17,000 tons; aluminum, 750 to 1,250 tons; paper, 7,500 to 12,500 tons; and glass aggregates, 17,500 to 25,000 tons. These levels will increase as suburban communities participate with Milwaukee in the resource recovery program. The Americology facility has the capacity to handle up to 400,000 tons of refuse per year.

The Wisconsin Electric Power Co. will use the fiber-fuel component, which constitutes up to 65 percent of the refuse, at its Oak Creek generating station, as a boiler fuel to generate electric power. The fuel is mixed with pulverized coal, and represents an energy recovery equivalent of 75,000 tons of coal per year. Eventually the city of Milwaukee will derive 15 percent of its electrical needs from the plant's refuse-derived fuel.

The new Americology unit is an alternative to the landfill method which has been used by the city. The entire cost of the facility has been borne by American Can Co. The city of Milwaukee has an option to purchase the facility and to share in the revenues from the sale of recovered products, if it chooses to do so. No change in the collection of garbage in the city is required, and the present disposal methods followed by city residents will be continued.

Resource recovery makes sense. Milwaukee's Americology plant is helping to show the way.

REMARKS ON HEW ANNOUNCEMENT CONCERNING REDUCTION IN MEDICAID PAYMENTS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ROGERS. A number of Members of the House have indicated concern to me over the announcements made by HEW yesterday that 14 States are subject to reductions in Federal matching funds for their medicaid programs for the quarter ending June 30 because of failure to meet the utilization control requirements of the law; estimated reductions are nearly $107 million. Additionally, because the temporary postponement of earlier reductions which was enacted by the Congress as an emergency measure at the end of June goes out of effect after September 30. HEW has announced that additional reductions of nearly $141 million in Federal medicaid funds for 20 States will also go into effect.

It is unfortunate that HEW chose to notify Members of Congress about the potential reductions without noting that H.R. 3 contains a provision to deal with this problem. That bill, which has received a rule and is expected to be brought to the House floor for action in the next 10 days, not only provides for a postponement of any reductions until after December 31, but it also provides that any State which is in compliance with the requirements of the law at that point will have earlier reductions cancelled. My contacts with State medicaid officials have convinced me that most States believe this is a reasonable and just solution to the problem of the reductions that have been announced. They support a further examination of the basic requirements of the law, of course, and the Subcommittee on Health is prepared to do that. But the indications that State medicaid directors have given to me are that they do not favor many of the provisions in the administration's proposed bill, and they would prefer to have some time to develop suggested alternatives before changes in the legislation are considered. HEW continues to ignore these concerns, however, and each time they announce a reduction, they attempt to exert pressure on the Congress to act precipitously.

H.R. 3 provides us with the opportunity we need to undertake more deliberate consideration without the threat of hundreds of millions of dollars in reductions in State funds hanging over our heads. The Interstate and Foreign Commerce Committee's recommended amendments will relieve the immediate pressure on the States from the reductions, and allow them a new chance to meet the requirements of the law. As I indicated, we expect that the Members of the House will have an opportunity to act on this legislation shortly. We have requested the leadership to give priority to scheduling the bill for consideration. Furthermore, we have been working in close cooperation with Senator TALMADGE and the Finance Committee to allow a rapid conference on H.R. 3 when the House has completed action. The Finance Committee has moved ahead to mark up legislation to curb fraud and abuse in medicare and medicaid that differs only in relatively minor ways from the legislation we are recommending to the House. They expect to complete Senate action in mid-September, and we are confident that we can present a bill to the President before the reductions take effect.

CALIFORNIA ADMISSION DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ANDERSON of California. Mr. Speaker, September 9 is traditionally an important day in the history of the State of California. It marks the anniversary of our State's admission into the United States, and is annually celebrated as a holiday in commemoration of that event.

California has a rich and interesting history, marked by influences from several cultures which have combined to make our State unique among the other States of the Union. Prior to the arrival of European settlers, approximately 130,000 native Americans made the Golden State their home, living in the land which varies between seacoast and desert, forested mountains and fertile inland valleys.

The first European to see California was Juan Rodriguez Cabrillo, a Portuguese explorer sailing under the flag of Spain, who sailed to the Pacific coast in 1542. Although English explorers claimed the State in 1579 and Russians made claims to the area as well, Spanish interests prevailed. California's early history was marked by the establishment of a series of missions along the coast from San Diego to Sonoma, and of the growth of communities around those outposts.

After Mexico received its independence from Spain in 1822, California became a Mexican province, with its social and economic life based on the huge cattle ranches, or ranchos. The first organized group of U.S. settlers arrived in 1841, and the United States offered to buy the province from Mexico, who refused.

When the Mexican-American War broke out in 1846, the United States seized the opportunity to occupy California. For a brief period of time, American settlers declared the State independent of Mexico, and established the short-lived Bear Flag Republic as an independent nation. However, effective control was soon gained by the military, and Mexico was forced to cede California to the United States in the Treaty of Guadalupe-Hidalgo in 1848.

Less than 2 weeks before the treaty was signed, an event that changed the history of California took place—gold was discovered at John Sutter's sawmill near Coloma. The gold rush drew a huge

influx of new settlers into the State, guaranteeing its admission into the Union.

However, it did not come easy. Increasing tension between slave and free States and their representatives in Congress delayed California's admission. Finally, Henry Clay was able to effect the Compromise of 1850. On September 9 of that year, California officially became a member of the Union of the United States as a free State.

Mr. Speaker, today California stands as one of the most important States in the Union—largest in population, agriculture, and commercial fishing; second in manufacturing and lumber production; and third in land area and oil production. We are rich in natural resources, geographic variety, and scenic wonder. We also have our areas of difficulty—high unemployment, rising cost of living, and remaining injustice in many areas against our ethnic minorities.

Few States, however, have taken such determined steps to meet problems as California has done, and fewer still have met with as much success. So it is only fitting that California Admission Day be celebrated as a State holiday, recalling our rich and unique heritage while looking forward to the promises of the future.

SMALL BUSINESSMEN TO MAKE LESS THAN THEIR EMPLOYEES?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ASHBROOK. Mr. Speaker, the National Federation of Independent Business recently completed a nationwide survey regarding to effect of the proposed minimum wage bill on small businesses. According to the results of this survey, thousands of small businessmen would make less than the wages they pay their employees if the bill is enacted.

The NFIB survey indicates that as many as 15 percent of small business employers would make less than the proposed statutory minimum. A major reason for their low hourly earnings is the tremendous number of hours they put in. The survey found that as a group small business men and women average 58 hours a week on the job. Moreover, even the 58-hour figure does not include all the unpaid family help that many small businesses depend upon.

This is not the only indication of the potential adverse impact of the minimum wage bill. The survey data also shows that small business employers making about $10,000 a year stand to lose 19 percent of their earnings to comply with such a new law while those making between $10,000 and $15,000 would forfeit 12 percent of their earnings. Some others would be driven out of business while others would have to reduce their work force.

All of this points to the need for Congress to provide a small business exemption in any new minimum wage bill. Small business men and women should not have to stand helplessly by as their already small profit margins dip to zero.

For the information of my colleagues I am including the text of the press release issued by the National Federation of Independent Business.

[Press Release]

CHICAGO, August 26.—Thousands of small business people will make less than the wages they pay their employees if a proposed minimum wage increase now before Congress passes, according to a new nationwide survey of small businesses undertaken by the National Federation of Independent Business (NFIB).

The survey, released by Wilson S. Johnson, president of NFIB, a nonprofit, nonpartisan organization representing small businesses, shows as many as 15 percent of the nation's 3.5 million small business employers will make less than the proposed $2.65 minimum wage now being considered by Congress. The current minimum wage is $2.30.

Further evidence of the crippling impact of the proposed minimum wage increase can be found in survey data that indicates small employers making less than $10,000 stand to lose 19 percent of their earnings to comply with such a new law. If they make between $10,000 and $15,000, the survey shows compliance would cost them 12 percent of their earnings.

"This confirms the tragic story we at NFIB have known for too long—many small business people are being forced by the federal government to pay employees more than they themselves make," Johnson said.

Johnson said there aren't many options for small business people in Chicago and Illinois who now pay their employees a $2.30 minimum wage if the increase passes Congress. "If they can't pay the 35-cent hourly hike in wages, they must lay people off, raise prices charged the consumer, or go out of business," Johnson said.

The survey indicates that one reason why so many small business employers have low hourly earnings is the number of hours they put in. As a group, small business men and women average 58 hours a week on the job, the survey concludes.

Those 58 hours weekly don't include all the unpaid family help that many of those small firms rely upon, Johnson noted. The survey shows that one of every four small firms receives an average of 20 hours a week in unpaid help from other family members.

"Name me any other group—workers or employers—who put the kind of time in their jobs that small business families do," Johnson said. "Small business people and their families do it because it is a labor of love and they believe in the free enterprise system."

Small businesses are willing to pay their employees a reasonable wage, according to the survey. The survey indicates that more than half of the small business employees receive $4.00 or more per hour. Also, almost one half of the small business employees receive bonuses or extra compensation, the survey shows. Median wages paid small business employees is far above the minimum wage with small business employers paying new employees an average of about $3.25 hourly, according to the survey.

"Small business people employ 56 percent of the private, non-farm workforce. They realize you must pay a good wage to get good employees and those who can are more than willing to do so," Johnson said. "Minimum wage increases hurt those small business people in marginal operations and their employees who normally need more work experience before moving up to better paying jobs. It also hurts marginal employees in larger, more profitable businesses."

Teenagers represent more than one-tenth of the small business work force, the survey showed. Women, many entering the job market for the first time, hold nearly a third of all jobs in small businesses.

"The tragedy of a substantial minimum wage increase is obvious," Johnson said. "Teenage unemployment, now more than 15 percent nationwide, will increase under a new minimum wage law because many of them are marginal employees already and marginal small businesses can't afford to keep the yongsters working."

The survey did show that small businesses do need skilled manual workers and that they are willing to pay them from $3.50 to $5.75 an hour. The demand for skilled manual workers and their wage scale is more than the demand or the wages for clerical, sales or managerial personnel. The survey indicates that there is little demand today for unskilled workers in small business and the demand will diminish further with a minimum wage increase, Johnson said.

Johnson said NFIB, which represents more than 518,000 small firms nationwide, strongly opposes a minimum wage increase.

He explained that the proposed increase would send the hourly minimum wage to $2.65 in January, $2.89 in 1979 and $3.15 in 1980. The legislation also contains an index based upon the hourly wage of production workers in manufacturing which would raise the minimum wage every year automatically.

"Indexing is just another example of Congress shirking its responsibility like it did with the Postal Service," Johnson said.

FOREIGN POLICY TOWARD CHINA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. CRANE. Mr. Speaker, the Carter administration's efforts to "normalize relations" with the People's Republic of China has ignited a flow of letters to many congressional offices from persons all over the United States. Not only has my office received many letters from persons in the United States opposing the President's foreign policy toward China, but I have also received well over 100 pieces of mail from Taiwan. Although every letter was written in Chinese, they were translated and I would like to share two with you. These letters, written by Chinese who are certainly more familiar with the Communist Chinese than we are, implore the United States not to abandon Taiwan. They also appeal to our commitment to human rights and freedom. The intentions of our present administration have left them perplexed and confused, for they cannot understand how the abandonment of the Republic of China will enhance the prospects for world peace and stability.

Following are two letters to President Carter, copies of which were received in my office:

ROC CLERGYMAN WRITES CARTER

(NOTE.—One of the many letters to President Carter in protest of his movement to promote relations with the Peiping regime was written by C. C. Chen, president of the Churches Union of the Republic of China, on behalf of the union. It reads as follows.)

JULY 30, 1977.

Mr. JIMMY CARTER,
President of the United States of America, Washington, D.C.

DEAR MR. PRESIDENT: We understand that you are a dedicated Christian. We were encouraged when, at your inauguration, you quoted Micah 6:8 and made it the main theme of your address. We have prayed that God would send a strong man of God to protect all Christians from an expanding Communist tyranny. We hoped that you were such a man.

Your intention, made public in a June 30 press conference to normalize relations with the Chinese Communists is a shock and a disappointment to us. We need people who will protect us from a vicious and expanding Communism, not people who will consign us to it. You are a Christian and we are Christians. How can you betray us to our enemies? Please keep those points in mind when you pray for divine guidance.

1. Early in your presidency you, presumably on the basis of your Christian commitment, made a strong defense of freedom and human rights. The Chinese Communists have more seriously and consistently denied human rights than have the Russian Communists. Last year, on April 5, 1976, over a million people gathered in the Tien An Men square in Peiping and demanded freedom.

Only a few days ago a Chinese pilot, Fan Yuan-yen flew a Communist MIG–19 to Taiwan seeking freedom. The 800 million people on the China mainland are as devoted to freedom and human rights as you are, but their attitude toward the Chinese Communist government is very different.

2. The Chinese Communist regime has been and still is brutally anti-Christian. They have relentlessly persecuted Christians, slaughtered believers, confiscated churches, burned Bibles, expelled missionaries, closed convents, appropriated schools and hospitals, prohibited evangelism. After the "cultural revolution" Christianity became almost extinct on the Chinese mainland. In Taiwan, on the other hand, Christianity enjoys unprecedented freedom and considerable expansion.

The United States is a key nation. You are a Christian president. This makes you a symbol for Christians all over the world. How can we believe that you want to demonstrate that Christians find other Christians expendable in the chess games of international politics?

3. Communist expansion is the basic cause of instability, the main threat to world peace. Cooperating with Communist expansion expands tyranny—this is no road to peace.

4. International relations depend on agreements and treaties, and rest ultimately on the moral principle of trust. If you demonstrate that the U.S. is an untrustworthy ally, you have shamed and degraded your nation, and made continuing Communist victories easier.

If you betray Taiwan, now can Japan trust you? Without Japan the Pacific will be open to Russian penetration. Immoral actions bring tragic consequences. This is because God is just.

5. The previous administration made serious mistakes in its China policy. Yours is a new administration, trying to make a cleaner record. Why do you follow Nixon's mistakes?

6. Our late beloved President Chiang was a sincere and devout Christian. The Republic of China, like the United States of America, has devoted Christian leadership. Christians ought not be betrayed to their enemies.

7. We pray to the same God you do. We believe in the same Bible you do. Our Bible says: "Fear not, for those who are with us are more than those who are with our enemy. Jehovah is our rock. Jehovah is our strength." God ultimately will triumph. We pray that God will give you the wisdom to make choices that conform to his will, so that you as a person, and your nation, will prosper.

DR. C. C. CHEN,
President of Churches Union.

The following is a letter to President Carter from all the members of the Catholic Church in the Republic of China:

DEAR PRESIDENT CARTER: We, the National Council for Apostolate of the Laity, represent 300,000 Catholics living in the free area of the Republic of China, as well as 4 million Catholics living under oppression on the China Mainland. We send you our sincerest regards and wish you the peace of our Lord Jesus Christ.

A few months ago, through the news media, we watched with great interest and excitement your inauguration as President of the United States of America. Your stirring and impressive address, your wisdom, outlook, and moral courage filled us all with the greatest respect for you and made us feel certain that the free world had found a trustworthy and capable leader.

President Carter, that which struck us as most admirable and impressive in your address was your emphasis on the goals of "human rights" and "morality". We firmly believe that these two objectives are the only truly solid cornerstone of the United States and of the entire world.

CORDIAL RELATIONS

President Carter, the United States and the Republic of China lie on either side of the Pacific Ocean and maintain friendly and cordial relations. Our 5,000 year old system of philosophical thought and code of moral values coincide perfectly with the original objectives of the United States, as found in the Declaration on Independence: . . . all men . . . are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness." The values of morality and human rights which you stressed so clearly in your inaugural address are identical with these objectives.

Today, on the China Mainland, the Chinese Communist totalitarian regime is acting in direct contradiction to the spirit in which the United States was established, and which was so evident in your cry for justice. The United States Government is currently considering the "normalization" of relations with the Chinese Communist regime. This has caused confusion and disappointment to us and countless other advocates of justice throughout the free world.

President Carter, we realize that your goal is the pursuit of peace; but you must realize that the party with whom you are dealing is a hateful and untrustworthy disciple of totalitarian rule. Any agreement with such an entity is absolutely unreliable. The Chinese Communists are insatiable aggressors, obsessed with the sole ambition of conquering the entire world and burying for good all democratic nations. Strong and prosperous countries are their biggest enemies. To negotiate with them for peace is, as we Chinese put it, about as safe and promising as bargaining with a tiger for his hide!

Today, the China Mainland is shrouded in darkness. 60 million people have been cruelly murdered, 800 million people are living on the edge of starvation; their lives have no security, freedom is nonexistent, the human right of "the pursuit of happiness" is an empty dream for them. If one establishes relations with such a regime, at the expense of truth and justice, even a temporary peace is unlikely to result, while the future is sure to bring disaster and chaos. The current Pontiff, Pope Paul VI's statement, "While human rights are suppressed, no talk of peace is possible", is an apt summary of the present situation. You, a far-sighted and high-principled politician, can certainly, by means of healthy policies in the spirit of justice and moral courage, stop the process of "normalizing" relations with the Chinese Communist regime.

STARTLING EVENT

On July 7 of this year, a startling event occurred: A Chinese Communist air force squadron leader, Fan Yuanyen, defected from the totalitarian regime on the China Mainland and flew a MIG 19 jet fighter to the Republic of China and freedom. His first words after landing on the soil of Free China were: "Life on the (Chinese) Mainland is too hard."

This statement sums up the entire tragedy of the China Mainland.

President Carter, you who are deeply concerned about world affairs, were certainly made aware of this event. You who are continually promoting human rights and calling for justice were certainly deeply moved. Therefore, we are confident that you understand clearly that the people living on the China Mainland have rejected their totalitarian rulers. Fan Yuan-yen's statement is the clearest proof of this fact.

After hearing this proclamation by a spokesman for 800 million suffering people, you surely realized more clearly the violence and inhumanity of the Chinese Communist regime. Certainly you will quickly stop any plans to establish relations with them.

CONFIDENT

We feel confident that, because of you, the Declaration of Independence and Bill of Rights, written by the founding fathers of the United States of America, will shine throughout the world with even more brightness. Likewise, we have great hopes that because of your fortitude and incomparable moral courage, the light of truth will begin to illuminate the dark shadows which now obscure all life on the China Mainland, You, an outstanding Christian, prudent, decisive, and unwavering, supported by the great mercy, wisdom, and courage of all children of light cannot fail to conquer the children of darkness. Goodness will surely win out over evil! The cry for justice which permeated your inaugural address, and which will resound throughout the world for all time, together with your spirit of love and concern for all men, will unquestionably give great pleasure to our God above, and earn for you His most special blessing

President Carter, at a time when the whole world is on the verge of chaos, at an extremely crucial point in man's history, we beg you, do not fail to bear courageously your grave responsibility to all men, and to guide back to the proper path all those who have been misguided and deceived. This is a great and glorious mission! You must not shrink from it!

We remain, Sir,

Yours respectfully,

FRANCIS C. C. SUNG,
President, National Council of the Lay Apostolate of the Republic of China.

AMAZING NEW TREATMENT CAN SAVE HALF OF DOOMED CANCER VICTIMS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. McDONALD. Mr. Speaker, every so often there is a sensational story about yet another "miracle" cancer cure. This story does not fall in that category. This

treatment works. I have seen it with my own eyes and personally know some of the individuals involved. Originally this treatment was started in the United States, but the Food and Drug Administration in its usual club-handed manner got in the way and attempted to stop the work by imposing impossible conditions upon the work. So now it is carried on in the Bahamas. In the foreseeable future enough medical evidence will have been assembled for it to be brought back to the States and presented to all the skeptics, complete with medical records. As the article describes, miracles have and are being achieved; however, who knows what lurks in the hearts of the bureaucrats at FDA, they may yet discover a new method of blocking hope again. The article from the National Enquirer of September 13, 1977, follows:

AMAZING NEW TREATMENT CAN SAVE HALF OF DOOMED CANCER VICTIMS

A fantastic new treatment for cancer is bringing scores of doomed victims back from death's door—and amazed doctors say it could save 50 to 75 percent of the 385,000 Americans who die of cancer each year.

The treatment is simple yet devastatingly effective, say patients and their physicians. Blood serum agents are injected into the victim, and these help the body's own defenses destroy the cancer.

The method was developed by Dr. Lawrence Burton, for 15 years a cancer researcher at the prestigious Hodgkins Disease Foundation at St. Vincent's Hospital in New York. He left that post to begin testing his treatment on humans—and has had stunning success.

"Over the past 3½ years, 186 patients have been treated on my program," Dr. Burton told the Enquirer. "All but eight were terminal—they'd exhausted all conventional treatments, and had been told by their physicians that recovery was hopeless and they had a very limited time to live.

"But our most recent figures show that of these 186 patients, 114 are alive today!

"Of these surviving patients, 32 are alive less than one year after treatment, 52 are still alive one year or more after treatment, and 30 patients are still alive at least two years after treatment—and these were terminal patients when they first came to us!

"Thirty of my patients had what must be called miracle remissions—they exhibit no sign of cancer. Eighty are in regression, which means their cancer is either diminishing or completely arrested. In the other four cases, it's too soon to tell the success."

American doctors who've closely followed Dr. Burton's work are enthusiastic about the incredible results.

"This technique has the potential to be a tremendously significant addition to our anti-cancer arsenal," declared Dr. Donald Cole, chief of surgery and oncology at Whitestone General Hospital in New York.

U.S. Congressman Lawrence McDonald (D.-Ga.), a urological surgeon, said he's referred about 20 patients to Dr. Burton—and 50 percent have improved.

"This is a dramatic success rate in view of the serious condition the patients were in," noted Rep. McDonald.

"Many were terminal cases, having only a limited time to live—possibly months. But some of them have lived for nearly a year now. These patients owe their survival to Dr. Burton's technique."

Dr. John Beaty, a staff physician at Greenwich Hospital in Greenwich, Conn., sent some 20 patients—many of them terminal—to Dr. Burton. He said 17 are still alive and the cancers of 10 terminal patients are now in remission or regression.

"This is an amazing percentage of success compared even to short-term survival rates of chemotherapy and radiation," declared Dr. Beaty, a teaching assistant in clinical medicine at Columbia University's College of Physicians and Surgeons.

"All 10 (of the terminal patients) owe their very survival to Dr. Burton's treatment. When they began his program, they were declining so rapidly that they were given only a month to a few months to live. But all of them have defeated that terrible prognosis. Not only have they survived—they also show tumor shrinkage, appetite improvement, weight gain and loss of pain.

"I believe this is a breakthrough in the treatment of cancer—the single best frontier in cancer therapy today.

"It's quite reasonable to think that if Dr. Burton's treatment were widely available, we could save as many as 50 percent of the people who now die every year of cancer in this country."

The anti-cancer injections contain a combination of four agents found in every human's blood, Dr. Burton said. The agents include an antibody that destroys cancer cells, plus a substance that keeps the antibody working despite attempts by the tumor to block it.

"The cancer injection works on all kinds of cancers, no matter the site or type," Dr. Burton said.

"We've actually seen tumors begin to die within 24 hours. Some patients go home apparently free of cancer after only 10 days of daily injections!"

Dr. Burton—whose work is funded by a private foundation—first began treating patients at a clinic he set up on Long Island. Last March he opened the Immunology Researching Center in Freeport, Grand Bahamas, to get away from the U.S. Food and Drug Administration's red tape.

"The FDA required tests of us that were pointless, time-consuming, and which our nonprofit organization could never afford," he explained.

Almost all the patients Dr. Burton receives "are considered by their referring physicians to be terminal," he noted. "If we could just get to these patients sooner after the diagnosis. I think we could save as many as 75 percent of those who now die of cancer.

"And we don't know how high the success rate could go!"

Because Dr. Burton is a zoologist, the serum injections actually are administered by Dr. Frederick Weinberg, who was chief pathologist at Central Islip Psychiatric Center on Long Island from 1950–75. Dr. Weinberg told the Enquirer he was skeptical at first—but joined Dr. Burton after seeing the results of serum treatments on dying patients.

"In all my years in medicine, I've never seen any treatment that has yielded this number of dramatic remissions in this short a time," he said.

"If this approach were widely available and used in conjunction with other therapies after early diagnosis, we could save up to 70 percent of the people who die of cancer every year.

"And this immunological approach is painless and simple compared to chemotherapy and radiation."

Here are some of Dr. Burton's amazing case histories:

Leola Klise, a 67-year-old widow from Grand Rapids, Mich., was in agony from terminal cancer of the pelvis when she began treatments. But after six weeks, she said, her pain vanished—and the cancer stopped growing.

"It was just incredible!" Mrs. Klise said. "There's been a real miracle in my life."

Her physician, Dr. Thomas Finch, said: "By the time she went to Dr. Burton, her case was pretty hopeless. She'd had chemotherapy, radiation and surgery, but there was still a cancer growing in her right hip.

"But as the (serum) treatments progressed, the pain left. The before-and-after bone scans showed that while the cancer was still there, it had stopped growing. This is out of the ordinary," Dr. Finch pointed out.

"I think Dr. Burton's treatment should be looked at further."

"Ted Alexander, a school psychologist in Commack, N.Y., learned in 1974 that he had an inoperable tumor inside his skull. He said doctors gave him just four months to live—but today he's still alive.

Dr. Donald Cole of Whitestone Hospital, who had treated Alexander with chemotherapy and radiation before the psychologist underwent serum treatment, commented: "It certainly appears that this patient's improvement may be partially or even completely attributable to Dr. Burton's treatment."

Robert Beesley, a Monroe, Iowa, building contractor, underwent surgery in July of 1975 to remove a massive colon cancer.

Surgeons found the cancer had spread to his liver and lymph glands—and told his brother he had only three months to live. Beesley underwent serum injections.

"I'm alive today because of Dr. Burton's treatment—it was the answer to the prayers of my family," he said.

Added Beesley's pediatrician brother, Dr. James Beesley: "I'm astounded! I expected my brother to die. So did his doctor. But now he's been given a new life."

The incredible effectiveness of Dr. Burton's immunological approach was attested to by Dr. Antonio Rottino, director of research at the Hodgkins Disease Foundation where Dr. Burton spent 15 years.

He was able to make a tumor disintegrate within 15 minutes," recalled Or. Rottino. It was very surprising the first time I saw it, and hard to believe—but the fact is that it did occur."

"If he works with other people with more fundamental knowledge, this kind of work could point to a cure for cancer."

Dr. Carl Markwood, a Sacramento, Calif., specialist in preventive medicine who has observed Dr. Burton's work firsthand, also is convinced the researcher may be on the right track.

"I've seen dramatic cases in which patients' lives have been saved by his treatment when every other therapy had failed," said Dr. Markwood.

"From Dr. Burton's present success in controlling cancer, we think this approach could be the long-sought road toward curing cancer."

GOVERNOR REAGAN OPPOSES PANAMA CANAL TREATIES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ASHBROOK. Mr. Speaker, anyone familiar with the continuing debate on the issue of a Panama Canal treaty knows that Gov. Ronald Reagan, California's top elected official for the past two gubernatorial terms, is no newcomer to this long-standing controversy. Yesterday he appeared before the Senate Judiciary's Subcommittee on Separation of Powers and presented his views on the proposed treaties. Touching on the various legal aspects, U.S. management of the canal, possible Soviet involvement, national security interests, Panamanian human rights and other factors involved

in this complex issue, Governor Reagan offered two alternatives for discussion in place of the proposed treaties. For those weighing the arguments on this important issue, the prudent, no-nonsense views of Governor Reagan are a must.

The text of his prepared statement before the subcommittee on September 8, follows:

TESTIMONY BY HON. RONALD REAGAN

Mr. Chairman and members of the subcommittee, thank you for inviting me to appear before you this morning to testify. You are concerned, as I am, with Constitutional and other issues arising out of the proposed Panama Canal treaties, and I appreciate this opportunity to share my views with you.

It is necessary first to comment on the Constitutional issue. Even though I am not a lawyer myself, I can appreciate the hours of research lawyers put into these matters. In reading about the Panama Canal, its history and its operation, as well as its national and international significance, I found myself spending more and more of my time studying the legal cases and opinions which bear on the Canal and our relations with Panama. There is a plentiful supply of logic and common sense in those cases and opinions.

The Executive branch argues that the President's treaty-making powers under the Constitution are enough to dispose of U.S. territory and property without any implementing legislation by the Congress; that transfers of property as specified in a treaty become self-executing once the Senate ratifies the treaty. Historically, Congress has held to a different view, though there have been enough ambiguities over the years to revive the argument with each new cause.

At a glance, the United States Constitution does seem to be ambiguous about the matter:

Article II, Section 2, Clause 2 gives the President authority to negotiate and enter into treaties.

Article VI, Section 2 declares that treaties are the supreme law of the land.

But, the Constitution also places a Congressional act and a treaty on the same footing.

Article IV, Section 3, Clause 2 grants "The Congress", meaning both houses, the power to dispose of territory and other federal property.

Treaties, of course, must not be in violation of the Constitution which grants various powers to the President, the Congress and the States. All of these, at face value, are unlimited, but in reality they are subject to the limitations imposed by other sections of the Constitution, in the form of specific prohibitions, or by the fact that the Constitution vests concurrent or exclusive power in certain units of the government.

Whether the proposed Panama Canal treaty needs implementing legislation in order to dispose of U.S. property lies in this question of "concurrent" versus "exclusive" power.

In his recent paper titled "The Treaty Power and Congressional Power in Conflict: Cession of United States Property in the Canal Zone to Panama", Kenneth Merin, Legislative Attorney of the American Law Division of the Library of Congress, makes the point that, "The Constitutional issue is not, or should not be, involvement of the House of Representatives in treaty negotiations", but ". . . whether, by virtue of Article IV, Congress exercises exclusive or concurrent power over the disposal of territory and property."

Presumably, if it could be proved that Congress' power is concurrent, the proposed Panama Canal treaties would be complete and self-executing if ratified by the Senate. If, on the other hand, the weight of the evidence is for the other view—that the Congress holds exclusive power over the disposal of territory and property—then Senate ratification is not enough. Implementing legislation by the House of Representatives would be required. I believe that careful examination of legal cases as well as historical precedent leads one to the inevitable conclusion that Congress does hold exclusive power and that implementing legislation will be needed in the case of the Panama Canal treaties.

Now, the Executive branch may cite as evidence to support *its* position the treaties we entered into in the last century with a number of Indian tribes. In these treaties we appeared to be ceding land to the tribes without requiring implementing legislation. The practice was stopped altogether more than a century ago, with the passage of the Indian Appropriations Act of 1872, but a closer look at the Indian land treaties shows they were very different from this proposal to turn over U.S. property in the Canal Zone to a foreign government.

The American Indian tribes have always had a unique relationship with the federal government and have not been considered foreign nations. When lands were turned over, the tribes were usually given "right of occupancy", with ultimate authority over the lands still to be held by the federal government. Even in cases where the treaties gave the tribes the land in fee simple, the government reserved the right of eminent domain and sometimes the right to hold veto power over transfer of the land to third parties. Neither of these reservations would apply, of course, when turning property over to a foreign nation, such as Panama.

Other arguments will be put forward to support the contention that implementing legislation is not needed in order to dispose of our property in the Canal Zone. One may have to do with treaties which involved boundary claims. The United States has entered into boundary settlement treaties several times in its history, swapping pieces of land here and there without any implementing legislation from Congress. Again, on closer examination, each settlement of a boundary dispute turns out to have been a matter of recognition of the rightness of the claim of our nation or the other one involved, and not a matter of outright cession of territory.

The case of the Ryukyu Islands might be cited, too. We turned these islands back to Japan in 1972, following ratification of a treaty without implementing legislation. In the 1951 peace treaty with Japan, however, the Japanese did not renounce their right or title to the Ryukyus, as they did to certain other pieces of territory, so that when the time came to discuss the matter further there was no serious question of ownership.

So much for the flaws in the arguments that are put forth to support the idea that the new Panama Canal treaties can be used to turn over U.S. property without special implementing legislation. The strongest evidence to support the opposite assertion is the past record of disposal of U.S. property in the Canal Zone itself.

I have read thousands of words of newspaper and magazine copy and heard many television and radio broadcasts about the Panama Canal treaty issue, but have seen or heard nothing about these cases in the news media. Yet, their significance cannot be underestimated in establishing that legislation will be required of Congress because of its exclusive power to dispose of territory and property.

Back in 1932, our government wanted to build a new legation building on land inside the Canal Zone. It is not proper, of course to build a legation on one's own territory. So, a bill was passed by Congress to authorize the Secretary of State to adjust the boundary between the Canal Zone and the Republic of Panama in order to turn the land for the legation building over to Panama.

Ten years later, the Senate debated approval by Joint Resolution of an Executive Agreement to transfer some land and property in the Canal Zone to Panama. The very question of whether this should be done by treaty—requiring only Senate ratification—or by Executive Agreement—requiring consent of both houses—was hotly debated. The measure was approved, underscoring Congress' Article IV powers.

Early the next year, 1943, the House Committee on Foreign Affairs held hearings on the land transfer in question. Its report adds weight to the argument for requiring implementing legislation in the current case. It said, "Congressional approval of the Executive commitments to Panama is sought in the form of legislation because there is involved (a) a disposition of property of the United States; and (b) an appropriation of funds, both requiring an exercise of the legislative power, independently of the treaty-making power. Article IV of the Constitution provides that "The Congress shall have power to dispose of . . . the territory or other property belonging to the United States'."

Our 1955 treaty with Panama provided for transfer of real property, stating that some would be transferred immediately and the rest with Congressional authorization. During the hearings on the treaty, however, a State Department representative testified that the legislation would be needed in order to implement the transfer of all the property in question.

A number of Supreme Court decisions over the years has reaffirmed the exclusive nature of Congress' power to dispose of territory and property under Article IV of the Constitution.

In the face of all the historical and legal evidence indicating that implementing legislation from the Congress will be necessary in the case of U.S. property in the Canal Zone, it is hard for me to believe that the Executive branch would want to circumvent the Congress' rights and responsibilities in this matter. If our foreign policy is to be fully effective, cooperation of the Congress is a vital ingredient.

OTHER FACTORS

The Constitutional issue is of great importance, but so is the security of the United States and the Western Hemisphere.

I have not yet received a copy of the treaty draft to read, but members of my staff and I have been briefed on its contents by Ambassadors Bunker and Linowitz and other members of the U.S. neogtiating team. I believe the ambassadors worked earnestly and hard under difficult circumstances and there are some commendable ideas contained in the proposed treaties. But, I also believe they have an overriding—indeed a fatal flaw. They proceed from a false premise, that we can expect reliable, impartial, trouble-free, secure operations of the Canal in the future by relinquishing the rights we acquired in the 1903 treaty.

In that treaty we acquired the rights of sovereignty over the Canal Zone, to the exclusion of the exercise of such rights by the Republic of Panama.

We did not acquire the Canal Zone as we did the Louisiana Purchase or Alaska. Many people think we did, but the fact is that the Canal Zone is unique.

It seems clear, from the language of the 1903 treaty, that the intention of our government was to acquire a firm, unshakable legal basis for building, operating and defending

the Canal. The language that says we shall act "as if we were sovereign" underscores the point, for we did not acquire the Canal Zone for the purpose of extracting minerals, tilling the soil or establishing a mercantile colony. It was a single-purpose enterprise. But, the important thing to remember is that only one nation can exert sovereign rights over a given piece of land at one time, and the 1903 treaty made it clear that we would do so in the Canal Zone and that the Republic of Panama would not.

To this day, it is those rights of sovereignty which undergird our ability to operate and defend the Canal. We cannot be kicked out summarily on the whim of some Panamanian government.

Once those rights are removed—and they will be removed immediately if the new treaties become effective—there is nothing to prevent a Panamanian regime from deciding one day to nationalize the Canal and to demand that we leave immediately. That would present us with the very thing the treaty advocates say we want to avoid; confrontation, or its alternative, unceremonious withdrawal in the face of an arbitrary demand.

For more than 60 years we have operated the Panama Canal efficiently, impartially and on a not-for-profit basis. The nations of the Western Hemisphere have come to rely on our stable presence there to make sure that their commerce would get through unhindered.

We cannot be certain, if these new treaties go into operation, that key personnel now operating the Canal will not leave a great deal sooner than expected, thus bringing into question the smooth operation of the Canal. We cannot be certain that, as the American presence withdraws from the Canal Zone, new demands for accelerated withdrawal will not be made under threat of violence. We cannot be certain that outside influences hostile to Hemispheric security will not make their presence felt much greater than before in Panama. We cannot be certain that Americans operating the Canal will not be harassed by an unstable and power-hungry dictator.

Fidel Castro, whose interest in exporting revolution is well known, has made quite a show of his friendship for the current military regime in Panama. And, just this summer, a delegation from the Soviet Union visited Panama to look into trade, investigate possible plant locations and even the possibility of opening a bank in Panama. It should never surprise us that whenever the United States withdraws its presence or its strong interest from any area, the Soviets are ready, willing and often able to exploit the situation. Can we believe that the Panama Canal is any exception?

Although the proposed second treaty would continue indefinitely beyond the expiration of the first one in the year 2000, the question must be asked, does it really provide what it says it will, which is the unilateral ability of the United States to step in to defend the Canal if its neutrality is threatened?

I believe we will make a very grave mistake if we let ourselves be inveighed into debating what the treaties do or do not say. Yes, on paper, we are told we have the right to step in—even after we have turned over control and removed our forces. But will we?

We are told by the treaty advocates, there will be unpleasantness and trouble if we don't accept these treaties. The same people then assure us we can march back in if there is trouble. But once we have said, in effect, "We don't want trouble; we'll give up the Canal," have we not also said, "If the government of Panama, encouraged by leftist allies, plays fast and loose with the treaty," we'll decide—since we are giving it up anyway—"why bother?"

I don't believe such a concern is unjustified, given the recent history of our nation. We have shown a reluctance to meet the responsibility of free world leadership, even on occasion to abandon allies.

We have been told the Canal is declining in terms of military importance and yet all but a handful of our navy ships can transit the Canal. The great bulk of material bound for our forces in Vietnam went by way of the Canal. And who can say what shape our navy will take 20 or 30 years from now? It may very well consist in this missile age of small, fast ships relying on quick accessibility from one ocean to another.

President Carter cites a statement by the Joint Chiefs of Staff that the treaty is satisfactory in terms of our defense needs. I mean no disrespect to these fine men. Yet, in a recent letter to the President, four former Chiefs of Naval Operations—now retired and, therefore, free to speak out on this issue—underscored the importance of our keeping active control of the Canal. Admirals Arleigh Burke, Thomas Moorer, Robert Carney and George Anderson said, in part, "As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the U.S., giving us maximum strength at minimum cost.

"By contrast, the Panama Canal, under control of a potential adversary, would become an immediate crucial problem and prove a serious weakness in the overall U.S. defense capability, with enormous consequences for evil."

Our continued presence at the Canal inhibits potential adventurers from trying to make international trouble there far better than would a piece of paper granting us the right to return after we had once departed.

It is no secret that the Soviet Union believes control over some 16 vital sea lane "choke points" means dominance of the world's oceans. Our presence at one of the busiest and most important of those "choke points" is a definite deterrent.

There is another factor at work which could be harmful to the security of the Hemisphere because it could further question our willingness to maintain a leadership role. Let us remember that, for much of the time, while these treaties were being negotiated, we were doing so (especially in the last two years) under repeated threats of violence. True, the threats slackened off this year, possibly because General Torrijos saw victory ahead. Some may believe the threats were a bluff, but the fact remains that we did continue to negotiate and, apparently, made concessions in the face of threats. The President seemed anxious to speed up and bring the matter to a conclusion in spite of his previous declarations that he would never relinquish effective control of the Canal.

If we accede to a treaty under such circumstances, will this mark the end of further demands? If there are, indeed, radical guerillas in Panama (as we are told) ready to blow up the Canal if we don't sign a treaty, what assurance do we have that they will be satisfied with the terms of these treaties? Already, the government-sponsored student federation in Panama has issued a manifesto supporting the treaties, but also indicating that "the struggle will continue" so long as there is any American presence at the Canal. If they should press Torrijos to ignore these treaties, would we not hear the same arguments from the same people for giving in to those new demands that we are hearing today?

Whether or not these treaties ever go into effect, we can expect trouble from leftist elements in Panama and elsewhere. Yes, failure to ratify the treaty will offer an excuse for demonstrations and riots in Panama and very possibly in the U.S. And, behind the scenes, the Russian Bear will do all it can to destabilize the security of the Hemisphere and cause a global whirlwind of unfavorable press aimed at us—not because we didn't ratify the treaty but because that is their normal procedure where we are concerned.

LATIN AMERICA

The treaty advocates say failure to ratify and implement these treaties will harm our relations with all of Latin America. Is it possible they believe they are betting on a sure thing? Historically, our Latin American neighbors have felt the need to be somewhat on guard against a United States which to them is the "Colossus of the North." A natural reaction has been to vote as a group on inter-American matters in international forums. This does not mean, however, that all Latin American nations have identical interests or think alike. As a matter of fact, a surprising number have privately expressed concern about our possible withdrawal from the Canal.

Frankly, I believe we can question not only the warnings about possible deterioration in our relations with Latin America if we don't ratify the treaty but also the glowing promises of a new era if we do.

The fact is we do not now have a coherent policy toward our Western Hemisphere neighbors. And we should because, over the next few decades, our continued prosperity, possibly even our survival will be closely linked to that of our neighbors within this Hemisphere. I do not believe these treaties are a substitute for such a policy. I do believe that the U.S. negotiating from strength and not meekly yielding legitimate rights and responsibilities out of a desire to avoid unpleasantness, can be truly helpful to the people of Panama and to all the Hemisphere.

Some of our neighbors need air we are in a position to give. With others, the need is for increased technology and trade; and with some, unhindered access to capital for needed development. Once our government recognizes that we must all sink or swim together maybe we'll stop some of our self-defeating practices. It is self-defeating to throttle a nation's ability to obtain capital because it doesn't run its internal politics precisely as we would like. It is self-defeating to keep a neighbor from buying weapons for its police force because someone in Washington sees terrorists as mere political dissidents. Thus, we encourage more terrorism and hurt a nation's chances for economic recovery.

Our neighbors in Latin America ask that we learn enough about them to have some understanding. Sometimes, their problems are similar, sometimes different but each nation is deserving of understanding.

What especially do the Panamanians want? That isn't an easy question to answer since there is no elected government, nor can we be sure a plebiscite of the people on the treaties would give an accurate answer in view of the nature of the government.

We are left with some educated guesses about the wants of the Panamanian people. Thanks in large part to the Canal, the Panamanins have the highest per-capita income in Central America and the third and fourth highest in all of Latin America. But their economy is near bankruptcy. They are plagued by inflation and unemployment while natural resources lie undeveloped.

Contrary to what has been implied about my own position, I do not believe that in rejecting these treaties we should simply demand the status quo and not seek answers to problems regarding our relations with the people of Panama.

Early in this century, we realized our dream of a waterway connecting the two great oceans. Panama, then a neglected province of Colombia, also realized a dream—to be free and independent. The two dreams were inter-related. Many in our country

thought the Canal should be in Nicaragua. The Panamanians knew their only chance to have independence and prosperity lay in the Canal being built in Panama. And so it was that Panama ratified the Hay-Bunau-Varilla Treaty months before it was ratified by our own government.

We have nothing to be ashamed of and much to be proud of. We created one of the great wonders of the world and it is doubtful any other nation could have done so. More than that, however, we have managed the Canal fairly for all nations at no profit to ourselves and with great economic benefit to Panama. Not only did we deal fairly with the governments of Panama and Colombia, we also bought every piece of privately owned land in the Canal Zone in fee simple from the individual owners. And may I point out the Canal Zone is not flanked by Berlin Walls. The people of Panama can go in and out of the Zone freely at all times.

But times change and the Panamanians have a growing feeling of nationalism. We, on the other hand, cannot weaken our ability to provide security for our nation and the entire Western Hemisphere. Can ways be found to satisfy some of their national aspirations without compromising our ability to meet security requirements?

Though I believe that the basic flaw of the proposed treaties requires that they not be ratified, there are alternatives we should examine.

Let us explore, for example, broadening participation in Canal policy making. The proposed basic treaty calls for a governing board with five U.S. and four Panamanian directors till the year 2000, when it expires. An alternative to consider would be a board comprised of a group of permanent U.S. seats, another group of permanent Panamanian seats and a third group of term seats to be rotated among Canal-using nations. Another possibility might be to have that third group made up of representatives of our neighbors, the nations of North and South and Central America. In the case of the first alternative, the international directors might be drawn from a Panama Canal Users Association to be set up at the time the plan is activated. Nations paying dues into such an association for the benefit of Canal improvements might have as one privilege discounts on tolls under a revised and increased toll system designed to operate the Canal in the black.

The proposed treaties call for an increase of the money we pay Panama annually from $2.3 million to an average income from Canal operations of as much as $80 million.[1] There is no assurance this would benefit the Panamanian people. A modernization program—the Terminal Lake Third Lock plan could definitely help the people. It would be approximately 10 years in the building and cost between one and two billion dollars. We could make certain that Panamanian workers and contractors were engaged extensively in the program which would directly benefit the people and the economy of Panama.

Such a modernization of the Canal would make it capable of handling all but a possible few Super Tankers. This could have important implications for the cost of moving Alaskan oil to Gulf Coast refineries. Then, too, increased speed of transit and general traffic would mean increased toll revenues which could further benefit Panama through a sharing formula.

These are two alternatives for discussion. I'm sure there are more available for a United States willing to do what it can for a neighbor without abdicating its own responsibility to permanently provide an open waterway for all the world's shipping and a guarantee of security for the Western Hemisphere.

HUMAN RIGHTS

In conclusion, I would like to touch on the subject of human rights. The concept of individual human freedom is deeply ingrained in us here in the United States. Though I believe the best way to help human rights flourish elsewhere is to set the best possible example in our own country, I realize that some idealists believe we should be more assertive in getting others to follow our example. Now that a high standard of sensitivity to human rights has become a cornerstone of our government's policy, I think it is not only fair but mandatory to raise the question with regards to the repressive regime in Panama with which we have been negotiating. And, I do not accept our negotiators' effort to characterize it as merely authoritarian.

Human rights criticism, public and private, has been leveled at a number of nations in the Western Hemisphere which have always been friendly toward us, yet I cannot recall a single word of criticism by any representative of our government toward Panama in this regard. Yet, Freedom House, which is recognized internationally as an impartial monitor of the status of human freedom, rates Panama as one of 67 nations in the world that is "not free." They rate 42 as "free" and 48 as "partly free." In its annual survey, Freedom House rates political rights on a scale of one to seven, with seven being least free. They rate Panama as a seven. They rate civil rights on a similar scale, and Panama receives a six.

Documents have been widely circulated in this country, with names, dates, places, and details of alleged violations of human rights by the regime in Panama. I, personally, have received a letter from a Panamanian businessman who was forced, at gunpoint, from his automobile some months ago and sent into exile because he had dissented.

Can we afford a double standard in this most fundamental of areas? I don't think so, for to do so says to the world that we are cynics, using the issue of human rights only as a tactic to produce specific political results. Worse, it may say to those who hold out hope of reduced oppression and ultimately the restoration of freedom that Americans are, when you get right down to it, hypocrites. The recent history of our negotiations with the Panamanian dictatorship does nothing to dispell such concerns. So, I leave you with this question: can we separate Canal negotiations from human rights when those rights as we know them are severely limited in Panama?

CONCLUSION

Finally, what conclusions are to be drawn about these treaties? Let me reiterate that:

The Panama Canal is vital to our security and that of the Western Hemisphere;

We provide the one sure guarantee that the commerce of the world will have continued access to this waterway;

The rights of sovereignty we hold in the Canal Zone are the foundation of our ability to remain there to operate and defend the Canal;

The proposed treaties relinquish those rights and do not provide adequate guarantees against future threats to the canal;

Alternatives should be sought which recognize the aspirations of the Panamanian people, without compromising our ability to meet security requirements.

Thus, the treaties as proposed should not be ratified. Furthermore, it seems clear from legal opinions and historical precedent that the ratification process will require implementing legislation by the Congress.

Thank you again for inviting me to appear before you.

[1] Source: Nicholas Ardito Barletta, Minister of Planning and Economic Policy, Republic of Panama, August 10, 1977 speech.

SAVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. ABDNOR. Mr. Speaker, I commend to attention of my colleagues another in a series of prize winning essays from a contest sponsored annually by the South Dakota Stockgrowers Association on "How the Free Enterprise System Can Be Saved." These are the ideas of Doris Powers of rural Kimball, S. Dak., a sophomore at Kimball High School.

Her ideas follow:

HOW THE FREE ENTERPRISE SYSTEM CAN BE SAVED

(By Doris Powers)

Yes, the free enterprise system is our way of life. It is an economic system that is second to none and the envy of the world. It is an economic system that has given us the highest standard of living of any country in the world. However, like anything that is great, it is not perfect. Therefore, one must ask the question how can the free enterprise system be saved?

I would like to reflect on some of the critical issues which are now threatening our free enterprise system. Issues that must be decided if we are to preserve the freedom that our ancestors fought for over 200 years. The decisions that must be reached by our Congress in the near future on these critical issues are—whether a free economy and private institutions that are a necessary part of a free economy to survive; or whether it will be replaced by government controlled economy and usurped federal bureaucracies until free enterprise is eliminated in our nation.

These trends of government controls and the federal bureaucracies must be reversed if we are to save our free enterprise system. We cannot continue to cripple our private sector in the manner that the legislative bodies of this nation have been doing in recent years unless we want our free economy destroyed. The question is will our Congress change its present direction which will destroy our free enterprise system? The only way that Congress is going to reverse its present trend is by the outcry of their constituents, that is you and me.

Now let's look at some serious problems facing us—let's get to the facts behind the problems—let's see the causes so we can determine what must be done. The solutions will not be easy but we can take the proper course to correct the problems.

When trying to solve our national problems we must consider world conditions and problems. Our world population is estimated at four billion people and growing rapidly. In the next twenty-five years the world population will almost double again. About one-third of the present population live with the highest standard of living while the remaining two-thirds live as their ancestors have lived for generation after generation in fuedal misery. This large proportion of population living in what we call underdeveloped countries creates a truly explosive situation.

Food production is another supply problem facing us in the future. We are fortunate that our country is blessed with the most productive agricultural economy in the world. The present and continued population explosion of the world with knowledge of starvation in large portions of the world's population poses some critical issues to be solved.

We are all aware of the energy supply

problem which is front page news. Are you aware of the growing shortages in other important material in our economy—materials such as steel, iron ore, aluminum, copper, chromium, nickle, timber and phosphates?

We are all aware of OPEC and its effects on the industrialized nations. But are you aware of countries considering similar cartels? Many countries having materials such as iron ore, bauxite, copper, mercury, and phosphates are busy organizing their own cartels patterned after OPEC. These developing countries want a better way of life and they visualize raw material cartels like OPEC as their weapon to get a chunk of the standard of living that has been achieved by the industrial world.

Let's look at some of our domestic problems and their solutions. Inflation is one of these problems. The old saying, "You can't take it with you" does not hold water today, because it's already gone before you are.

When you aren't buying something new, you are saving money. If a lot of people aren't buying now—You have a recession on top of inflation.

Recession and inflation are very much related and no long run solutions can ignore either problem. Both must be solved if we are to have a sound economy. Let's look at the underlying factors which accelerate these two problems.

There is one cause of inflation in our country as well as two other factors of somewhat lesser importance. The major cause is our continuing long-term deficits in our Federal Budget. In the last ten years the Federal Government has borrowed over 245 billion dollars to cover deficits in the Federal Budget which has increased the inflationary pressures on all of us.

In other words, only Congress can turn off inflation by living within a balanced budget and not a deficit one. We think of inflation in terms of rising prices, but to understand inflation properly and to get it under control, we have to understand that inflation is really manifested in a decrease in the value of money.

Inflation is caused by political figures who vote to spend more than they vote to raise through taxation. It is a good way to get elected but the consequences on the American economy are catastrophic. Inflation is a social disease caused by political excesses and like most social diseases, those who cause it are reluctant to admit it.

Our antitrust laws are built-in protection to safeguard our free enterprise system. But there are two extremely important areas of our national economy where our antitrust laws have no jurisdiction and these are two supporting causes of inflation.

The first area is our nation's labor laws which exempt unions from the requirements of our anti-monopoly legislation, even though the cost of labor is between 75 and 90 percent of the price of all goods and services produced in the U.S.A. For example, it is criminal under our laws for General Motors, Ford and Chrysler to join together to force up the prices of automobiles but it is perfectly legal for employees of these three companies to join together to do the same thing and they have been in the habit of doing this every three years. This type of inflation will never be corrected until our elected representatives in Congress are willing to squarely face this problem.

Another area untouched by our antitrust laws is the cartels being organized in other countries beyond the reach of our laws. The impact of the oil cartel has been substantial and threatens to get worse.

The other major economic problem facing our economy is recession. We must determine what has caused a slow down in our economy and what needs to be done to get our economy going again. The single most important thing to do is in restoring the health of our economy is to put the word "profit" back in our vocabulary as a description of an essential, respected and absolutely vital component of national economy.

In the last 25 years we have witnessed a steady decline in the share of our national income that has been earned as profit. The tragic performance by some of our political leaders attacking the profits of individuals and companies for their own political gains. Companies and individuals all must show a profit if they are to exist and to invest capital back in our economy to create new jobs, expansion and modernization.

If we want to have a healthy economy in our free enterprise system we must solve these problems.

First, we have the highest rate of taxation on capital gains of any country in the world and the lowest rate of investment in the private sector of any of the free market industrial countries.

Second, the appetite of the Federal government for more and more funds to finance its monstrous deficits have monopolized a giant share of the credit available in the nation.

Third, scarcely a year goes by without the Congress passing legislation to establish another new massive Federal Regulatory Agency; and very few State Legislatures can resist the same temptation!

Fourth, tax structure and policy of our nation is another reason that is putting the brakes on our economic progress. Our political leaders have for years adopted a philosophy of holding down taxes by the low and medium income taxpayer and making it up by charging high taxes to corporations and higher income individuals.

These are some of the problems that need to be addressed to get our economy moving again, to preserve our private sector, to enable private enterprise to fulfill its traditional role in our society.

The situation is serious and make no mistake about it. If the private sector is unable to raise the capital necessary for expansion and modernization to provide the goods and services the American people need and desire—then government will be called upon to provide capital and own the facilities. When government owns the means of production, you are well down the road that Karl Marx proposed some years ago.

MAKING THE RUSSIANS SEEM 10 FEET TALL

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 9, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, the current effort to rekindle the cold war by those who measure patriotism in terms of how much blood and treasure can be expended, and equate love of country with bombast and militarism, is becoming more and more tiresome. Those of us who know better must not let the noisy fearmongers get too far ahead in their public relations campaign, lest we find that policy follows demagoguery in lock step.

Recently, Mr. Fred W. Neal wrote an article for the Washington Star entitled, "Making the Russians seem ten feet tall." It is clear and to the point. I recommend it to my colleagues and to those who read the CONGRESSIONAL RECORD as a concise and objective analysis on a subject that rarely receives rational treatment:

MAKING THE RUSSIANS SEEM 10 FEET TALL

(By Fred Warner Neal)

Harvard historian Richard Pipes has joined those Americans who General Eisenhower once described as prone to believe all Russians are ten feet tall.

Pipes' name became well known as chairman of Team B, which discredited the CIA estimate of Soviet strategic objectives. He has captured press attention in recent articles by informing all who can read "why the Soviet Union thinks it could fight and win a nuclear war." (*Commentary*, July 1977; *Washington Post*, July 3; *Washington Star*, July 24). He deserves an answer.

Prof. Pipes' position is typical of those who believe Soviet military writers enunciate communist gospel. Of course, leading Soviet military figures write about the necessity for the Soviet armed forces to be able to fight and win a nuclear war. Any military figure in any nation who didn't believe his country's armed forces must be able to fight and win any kind of war ought to be fired.

The armed forces are important in the Soviet Union, but they, as all else in the U.S.S.R., are and always have been subordinate to political rule by the civilians in the Communist party. We would have much to concern us if the Soviet Union were a military dictatorship, which it is not.

The official position of the party on nuclear war is clear and absolute, as enunciated and refined over a period of 20 years. It is that a nuclear war must be avoided at all costs. Soviet civilian leaders and their scientists know a nuclear war would destroy them as well as the hopes of the Soviet Communists for achieving a Communist world.

How, then, does one explain statements emanating from the Soviet military establishment? It is not difficult. Soviet military leaders think in heavy-handed, traditional military terms, often out of touch with reality postulated by their own scientists. For all their claims of being able to fight and win a nuclear war, they do not—at least publicly—face up to what such a war would mean; consequently they do not tell us how they would "win" or what "winning" would mean.

Furthermore, Soviet military leaders even more than civilians have a distrust of "the imperialists," even deeper than our distrust of Communists. They are not persuaded that the United States would never launch a first strike against them. Also, there is a consummate fear of the "German threat" which cost 20 million Russian dead in WW II. And, additionally, the Soviet Union sees threats not only from the West, but also from China.

Professor Pipes takes exception to The Star's reference to his "mind-set." It is an essential and valid point which The Star makes. It is the "mind-set" of the Cold War. I know of no way in which reason, facts or anything else can influence people who have this mind set. It is not to question either their motives or their intelligence to say that they are bound by an ideological view as rigid as that which binds the Soviet leadership. And this inevitably distorts the way they look at things and the deductions they draw from what they think they see.

Professor Pipes is a member of an organization known as the Committee on the Present Danger—the present danger being that of Soviet military aggression. More than 25 years ago I worked as an assistant to president James B. Conant of Harvard and to former Undersecretary of the Army Tracy Voorhees, who headed a group also known as the

Committee on the Present Danger. The "present danger" then, too, was Soviet military aggression.

What did the Committee on the Present Danger in the 1950s see as evidence? They cited Soviet ideology as demanding Soviet world domination; the war in Korea as a step toward achieving it; Moscow's insistence on developing nuclear weapons as preparation for an attack; and Soviet policy toward Germany as an effort to take over Western Europe.

These fears proved to be without foundation. Nevertheless, they led the United States into a vast military expansion, introducing nuclear submarines, seeing a missile gap where there was none, refusing a comprehensive test ban and introducing MIRV to overcome a nonexistent ABM. Most of these American policies were ill-advised and in fact left us with less security than formerly.

In short, the deductions were faulty. They resulted from a "mind-set." It should give us pause to think.